

# Memorandum of Understanding Between the U.S. Environmental Protection Agency and the Department of Homeland Security Federal Emergency Management Agency

The U.S. Environmental Protection Agency (EPA) and Federal Emergency Management Agency (FEMA) renewed a Memorandum of Understanding (MOU) on September 11, 2024, 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 after times of disaster. The MOU was originally established in 2019 and has been used by communities since. The SRF programs have worked cooperatively with FEMA and state, local, Tribal, and territorial governments to allow communities to recover quickly and restore their vital infrastructure after a Presidential-declared disaster.

## What does the MOU do?

The MOU between the EPA and FEMA establishes a framework for EPA-funded SRF programs to assist and collaborate with FEMA disaster assistance grant programs. The SRF programs have worked cooperatively with FEMA and state, local, Tribal, and territorial governments to allow communities to recover quickly and restore their vital infrastructure after a Presidential-declared disaster. The MOU will streamline coordination between FEMA and the SRF programs 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 potential 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 program to help pay for the timely restoration of vital drinking water and wastewater infrastructure.

SRF programs 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 SRF programs can act as cost-sharing financing sources for a community applying for FEMA [Public Assistance](#) grant funding under the MOU. FEMA Public Assistance has cost-share requirements. The federal cost-share of reimbursement from FEMA is not less than 75% of the eligible cost of the project, while the state, territory, or tribe determines how the remaining 25% will be shared between the recipient (i.e., SRF) and the subrecipient (i.e., applicant/community). This can accelerate the delivery of assistance to disaster affected communities by coordinating the use of SRF programs and FEMA, while also helping to take the financial burden off the community.

When disasters occur, the SRF programs 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 programs. SRF programs provide low-interest loans and additional assistance to public, private, and non-profit entities for eligible drinking water systems and wastewater treatment facilities and a wide variety of other wastewater infrastructure projects. Through loan repayments and investment earnings, the SRF programs have leveraged federal contributions to provide more than \$229 billion in financial assistance to over 48,900 water quality infrastructure projects and 19,600 drinking water projects across the country as of 2023.

To read the memorandum and learn more about utilization, visit

<https://www.epa.gov/cwsrf/memorandum-understanding-between-environmental-protection-agency-and-department-homeland>