Supplemental Appropriation for Hurricanes Helene and Milton (SAHM) Frequently Asked Questions

- 1. Can SAHM funding cover planning, design and construction?
 - Yes, however, reimbursement for design funding would not be eligible until the facilities plan has been approved, and construction funding would not be released until design has been approved.
- 2. What is the timeframe for SAHM funding, from award to completion?
 - A loan application may be submitted as soon as the project is listed at a
 priority list meeting. Agreements will not be issued for execution until the
 SAHM Capitalization Grant has been awarded by the EPA (anticipated in the
 first quarter of the federal fiscal year 2025). All activities must be completed
 by December 15, 2031, and final reimbursement requests submitted no later
 than January 31, 2032.
- 3. Is there a cap on SAHM funding?
 - Based on the amount of funding, demand and sponsor caps for last year's
 Hurricane Ian funding (SAHFI), it is anticipated that sponsor caps will be
 between \$20 million and \$40 million for this year's SAHM funding. At this
 time, a cap has not been determined but will be once the Request for
 Inclusion (RFI) and backup documents are received, and demand for funding
 is determined.
- 4. Are there example agreements/RFIs for previous hurricane funding available for review?
 - Example agreements and RFI documents are on the Department of Environmental Protection's (DEP) Division of Water Restoration Assistance SAHM webpage. The 50% principal forgiveness agreement is still in review and will be posted once all approvals for the terms and conditions are received.

- 5. Can SAHM funding be used to build a new facility or is it only for renewal and restoration of existing facilities?
 - SAHM funding can be used to build a new facility or for renewal and restoration of existing facilities; it can also be used to relocate facilities to a less flood-prone area.
 - * A list of eligible projects is included as Attachment 3 to EPA's <u>SAHM</u> <u>Implementation Memorandum</u>.
- 6. Will SAHM funds be available via grant or loan?
 - For all impacted communities, 50% principal forgiveness is available, and for financially disadvantaged communities, the funds will be provided at 100% principal forgiveness. To determine whether a community is disadvantaged:
 - Clean Water State Revolving Fund (CWSRF)

 per capita income is less than the state's.
 - Drinking Water State Revolving Fund (DWSRF) Median Household Income (MHI) is less than the state's.
- 7. Can Resilient Florida provide the 50% cost share?
 - Yes, state funds including Resilient Florida funds could be used to co-fund a SAHM funded project.
- 8. If a system has applied for FEMA funding for a hurricane damage related project and would like to apply for SAHM funding is this considered double dipping, or do they just forgo one of the grants if one goes through? Meaning if it is not 100% on either yet, what would be the process if any to go through?
 - SAHM funding could be applied for, however, there must be clear separation between what FEMA and SAHM are paying for. SAHM could pay for planning and design, then FEMA could cover the construction. But if both are paying for the construction there has to be a distinct separation between the two.
- 9. Will Build America Buy America (BABA), Davis-Bacon prevailing wage rate and asset management requirements be applicable for SAHM funding?
 - BABA requirements do not apply since this is emergency funding. All other SRF and cap grant requirements apply, including <u>Davis-Bacon</u> prevailing wage rates, Environmental Protection Agency (EPA) <u>signage requirements</u> and Disadvantaged Business Enterprise (MWBE) good faith effort.

- An asset management plan is not required for clean water projects; however, a fiscal sustainability plan is required.
- 10. Because this is emergency funding, is the requirement regarding how many SRF loans a sponsor can have with principal forgiveness waived?
 - Yes, but a sponsor cannot have two SAHM loans within CWSRF or DWSRF.
 However, a sponsor can have one of each: clean water, drinking water and decentralized SAHM loan concurrently.
- 11. Can eligible applicants submit multiple RFIs within each program (CWSRF and DWSRF)?
 - Yes, but please combine the RFIs and submit as one, and the SRF will
 determine the project priority score. Construction costs for multiple projects
 should be placed in the priority score table so that a weighted average of the
 priority score can be determined by the SRF.
- 12. How will SAHM funds be prioritized if there is a large need?
 - The SRF will use the priority ranking system outlined in Chapters 62.503,
 F.A.C. (CWSRF) and 62.552, F.A.C. (DWSRF), which prioritizes compliance and disadvantaged communities receive bonus points for income.
- 13. What kind of evidence is needed to provide proof of impact?
 - Evidence should show the system was impacted by one or both hurricanes: photographs, power outage reports, mutual aid costs, Water Tracker reports, FLAWarn reports, etc. Then the project itself will be reviewed. The facilities plan will prove that it is a resiliency and redundancy project and show that the need is there. If the need is not properly determined to be a resiliency and redundancy project, funding after the planning document may cease and costs incurred for any further activities will not be reimbursed.
- 14. How will disbursement work once the loan is in place and how does that work with principal forgiveness?
 - Costs incurred after a project is listed at the priority list meeting in August will be eligible for reimbursement. The SRF is a reimbursement program, so invoices are submitted together with proof of payment. If a community has a financial hardship, they can request advance payment, which means they would not be required to submit proof of payment for a disbursement request until the subsequent disbursement request (proof of payment for

disbursement request #1 is submitted with disbursement request #2, and so on). Repayment is typically received within three to four weeks. Also, the hurricane funding is a little different from the SRF program, in that there is only one loan for planning, design and construction. Reimbursement for design activities cannot be requested until planning is approved. Reimbursement for construction cannot be requested until planning and design have been approved. Please see above about the review of the facilities plan and if the need is not properly determined to be a resiliency and redundancy project, funding after the planning document may cease and costs incurred for any further activities will not be reimbursed.

- 15. Can systems apply at any stage in their projects? Say they had to do emergency repairs and only need construction funding at this point.
 - Yes, but if only construction is being applied for, planning and design will still need to be approved. It is recommended that at least some funding be allocated to planning and design in case funding is required to prepare/modify a facilities plan or design documents that meet SRF requirements. If planning, design and construction funding are included in a loan agreement, the funds can be moved between planning, design and construction; however, a construction loan agreement will not be revised to include planning or design.
- 16. Can you apply retroactively for emergency repairs?
 - No, only eligible work that is performed on or after the project listing date can be reimbursed.
- 17. If there is a project to submit for SRF and SAHM funding, would it be appropriate if there was an RFI for this hurricane funding that also has an additional component because there may be other projects that had an effect from the hurricane, and one of those projects submitted at the same time for SRF funding?
 - Submitting the same project for both regular SRF program funding and SAHM funding is discouraged. Once the segment caps are determined for SAHM, if a project exceeds the segment cap, the sponsor can compete for Base SRF funding for the remainder above the segment cap. Also, all that's needed to compete for SAHM funding is an RFI; to compete for the regular SRF funding, a facilities plan would need to have been approved to compete for design funding and a facilities plan, and design would need to have been approved to compete for construction funding.

- 18. For this program, is it a single RFI for all three phases? Once the RFI is scored and awarded the approvals for planning, design and construction will be handled independently outside of the normal process?
 - Yes, that is correct for SAHM funding.
- 19. If there are two facilities impacted by both hurricanes and the sponsor is now planning to consolidate facilities, would it be better to apply for consolidation or repair of the existing facilities?
 - o Both could be eligible, and both could be applied for.
- 20. Who is managing SAHM funds and how can an application be submitted?
 - The funds are being managed by the CWSRF and DWSRF programs. To compete for funding, complete a <u>Drinking Water SRF Request for Inclusion</u> and/or <u>Clean Water SRF Request for Inclusion</u> and email it to <u>SRFRFI@FloridaDEP.gov</u>. Applications are due by 11:59 p.m. EDT on June 30, 2025.
 - Together with the completed RFI, please include a description of the project, the facility ID number, project location, proof of impacts to the system (e.g., photographs, power outage reports, mutual aid costs, Water Tracker reports, FLAWarn reports, etc.), and an explanation of how the project is eligible for SAHM funding (for reference, see Attachment 3 to EPA's SAHM Implementation Memo).
- 21. Will this application process follow the traditional SRF process (RFI -> Facilities Plan -> Application)?
 - All that's needed to apply for SAHM funding is an RFI (and the additional requested information proof of impacts and how the project is eligible, please see the SAHM webpage), regardless of the type of funding being sought (planning, design or construction). As soon as the project is listed, a loan application can be submitted. Once the loan agreement is executed, funds for planning activities will be available, but funds for design and construction activities will not be available until planning has been approved (for design funding) and planning and design has been approved (for construction funding).

- 22. Will RFIs submitted under SAHM be scored and ranked using DEP's standard SRF priority scoring criteria?
 - Yes
- 23. For a sponsor that has four projects, project #3 can only happen if project #1 is funded. Is there a way to prioritize projects to ensure the right project gets funded first?
 - It is recommended to submit one RFI for like projects (separating drinking water, stormwater, wastewater, and decentralized). Once the community cap is determined, SRF will reach out to discuss how best to proceed. However, there is a finite timeline for these projects – they must be complete by December 15, 2031.
- 24. If planning and design was self-paid (not loan or grant-funded) is a facility plan and EID still needed?
 - a. Yes, even if it was self-paid, planning and design still need to be submitted for review of the SRF requirements and approved. For SAHM funding, it would come after the RFI. There will be completion dates included in the loan agreement and when deliverables need to be submitted.
- 25. Will a Professional Services Procurement form/Consultants' Competitive Negotiation Act (CCNA) be required? If so, when should it be submitted?
 - Yes, CCNA certification will be required and should be submitted with the application once the project has been listed. A loan agreement will not be executed without CCNA certification and the executed agreement for services. Please consult your general counsel to ensure that CCNA is abided by if there are any questions.
- 26. Will Contract Manager at Risk (CMAR) be a construction procurement option for SAHM projects?
 - Sometimes. In accordance with Rules 62-552.300(2)(g), 62-503.500(4), and 62-505.350(2)(d), F.A.C., the CMAR delivery method is not an option for small, disadvantaged communities receiving principal forgiveness. For larger communities (> 10,000 people) and small communities that are not disadvantaged (PCI ≥ state PCI for CWSRF or MHI ≥ state MHI for DWSRF), the CMAR delivery method is an option. Design-Build (D-B) is an option regardless of community size or income. However, these alternative delivery methods for small projects or small communities are not recommended

without prior experience. As with any SRF project, D-B and CMAR procurement must meet CCNA requirements, DEP's Supplementary Conditions must be included in the solicitation package, and the solicitation package must be submitted for SRF review and acceptance prior to solicitation. Also, in addition to planning and design approval, construction funding will not be released for the SAHM project until procurement approval of the selected vendor has been given. See Rules 62-503.700(6)(f) and 62-552.700(6)(f), F.A.C., for more information on Design-Build and CMAR requirements.