



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Helgeson, Brown, Carlson, Mital and Simpson
FROM: Sue Fahey, Chief Financial Officer; TiaMarie Harwood, Interim General
Accounting Supervisor
DATE: December 27, 2017
SUBJECT: Federal Emergency Management Agency (FEMA) Hazard Mitigation Grants
OBJECTIVE: Board Approval

Issue

In accordance with EWEB Public Contracting Rule 02-150 (6)(a) Board approval is requested for EWEB to accept two FEMA Hazard Mitigation Grants if awarded.

Background

The total costs submitted to FEMA from the December 2016 storm was \$4.7 million. EWEB has been reimbursed \$62,000 for emergency protective measures. The remaining anticipated reimbursement of \$3.5 million is currently under review by the Oregon Office of Emergency Management.

Due to the disaster declaration, EWEB is eligible to apply for funding to mitigate future storm restoration costs. There are two Federal hazard mitigation grant programs with differences in their scope, purpose, and funding - Section 404 and Section 406. The Section 406 mitigation grant is funded under the Public Assistance Program and provides discretionary grants for mitigation measures that directly reduce the potential of future, similar disaster damages to the electric distribution system impacted by the December 2016 ice storm. Section 404 grants are funded under the Hazard Mitigation Grant Program and are used to provide protection to undamaged parts of a facility or to prevent damages caused by future disasters. 404 grants may be used in conjunction with 406 grants to bring an entire service area of the distribution system to a higher level of disaster resistance, when only portions of the system were damaged by the ice storm. Both programs reimburse up to 75% of eligible costs.

Discussion

Under Section 406, EWEB has requested funding for fifteen damaged feeder-line sites at nine EWEB substations. Three of the fifteen facilities propose undergrounding overhead lines, while the remaining twelve propose reframing and reconductoring as mitigation to reduce damages from future storms for an estimated 800 residential services. EWEB's total cost estimate for this work is approximately \$1.8 million. If the entire grant were awarded, EWEB would be reimbursed about \$1.4 million.

Under Section 404, EWEB has submitted an application that includes a combination of reframing, reconductoring, and undergrounding a heavily treed residential service area from Willamette Street near Coachman Drive to Larch Street and Manzanita Street. This area experienced significant power

outages in the December 2016 Ice Storm, as well as the 2014 Ice Storm, along with numerous shorter power outages in smaller winter storm events. The majority of the outages experienced in the project areas are caused by tree limbs falling across the phase conductors. The project area includes the end of the Monroe Feeder 3722 and the end of Dillard Feeder 4728 and a portion of Dillard Feeder 4724, with an estimated impact to almost 1,600 residential services. EWEB's total cost estimate for this work is \$900,000 with \$680,000 eligible for reimbursement if awarded.

Requested Board Action

Management is requesting that the Board approve acceptance of the Section 404 and Section 406 FEMA Hazard Mitigation Grants if awarded.