

CONDITIONS OF APPROVAL

HMGP Project No. 4339-0343

Local Redevelopment Authority for Roosevelt Roads

Wastewater Infrastructure Generators - Local Redevelopment Authority for Roosevelt Roads

The Federal Emergency Management Agency (FEMA) Region 2 approval of this Project is contingent upon the fulfillment of all the below conditions. These Conditions of Approval (COA) include grant conditions that the Recipient and/or Subrecipient must adhere to during administration of Phase 1 of the Project and identifies the specific Phase 1 deliverables that must be sent to FEMA. Phase 2 approval is contingent on the Recipient and/or Subrecipient adhering to the criteria listed in the COA and FEMA's determination that the Project is eligible, technically feasible, cost effective, and compliant with Environmental and Historic Preservation (EHP) requirements.

1. Project Details

The Subrecipient is proposing to purchase and install five (5) fixed backup power generators and associated components at the following critical facilities in the Roosevelt Roads community located in the former Naval Station Roosevelt Roads in the Municipality of Ceiba:

- Lift station 39: 80-kilowatt (kW) backup diesel generator with 600-Amp automatic transfer switch (ATS) and fuel tank
- Lift station 1812: 80 kW diesel generator with 600-Amp ATS and fuel tank
- Lift station 1971: 80 kW diesel generator with 600-Amp ATS and fuel tank
- Lift station 2382: 80 kW diesel generator with 600-Amp ATS and fuel tank
- Potable Water Treatment Plant (WTP): 650-kW backup diesel generator with 1,000-Amp ATS and fuel tank

The new generators will be within a protected enclosure placed on a new concrete pad. The new generators and equipment for the lift stations will be elevated at or above the 500-year anticipated flood elevation. The lift stations and WTP support the wastewater and potable water distribution infrastructure in the community. These facilities do not have a backup power to operate during a power outage, causing a disruption in critical services. The proposed mitigation Project will provide backup power to enable the continuation of critical services for the community during hazard and power outage events.

2. Approved Scope of Work

Project approval for the Phase 1 Scope of Work (SOW) includes procurement of architectural and engineering (A&E) services, site assessment and feasibility study, environmental and cultural studies, geotechnical and soil study, structural analysis, electrical load study, risk assessment and safety analysis, preliminary and final design, construction documents, and initial permitting.

The Subrecipient shall submit a Phase 2 SOW, cost estimate, final Benefit Cost Analysis (BCA), and schedule at the completion of Phase 1. Section 8 lists the required Phase 1 deliverables.

CONDITIONS OF APPROVAL
HMGP Project No. 4339-0343
Local Redevelopment Authority for Roosevelt Roads
Wastewater Infrastructure Generators - Local Redevelopment Authority for Roosevelt Roads

3. Project Kick-Off Meeting

Within 30 days of the Phase 1 approval letter date, a project kick-off meeting between the Recipient and Subrecipient should take place to discuss these COA. FEMA shall participate in the kick-off meeting. The kick-off meeting should:

- Verify Recipient's and Subrecipient's understanding of the expectations for the Phase 1 deliverables.
- Verify Recipient's and Subrecipient's understanding of their grant management and reporting requirements.
- Verify Recipient's and Subrecipient's understanding of the expectations for level of design and technical documentation that is required for Phase 1 deliverables.
- Verify milestones for Phase 1 deliverables.
- Review the project schedule and determine need for and frequency of progress meetings. The Subrecipient, Recipient and FEMA shall participate in progress meetings.
- Review the preliminary BCA. Clarify which BCA inputs have been verified and accepted by FEMA and which inputs require further documentation to be acquired during Phase 1 analyses.
- Review EHP requirements and the related Phase 1 deliverable requirements.

4. Scope of Work Changes

Any proposed change to the approved SOW as identified in the subapplication must be submitted to FEMA for consideration and approval prior to implementation. This includes any potential extension of the subgrant Phase 1 project schedule included in the COA. Execution of any modification to the approved SOW without prior FEMA approval may jeopardize funding for the subgrant Project. Pursuant to 2 C.F.R. § 200.300, the Recipient must ensure that the Subrecipient adheres to any and all requirements imposed by FEMA, Federal statute, and applicable policy.

Requests must be made in writing and demonstrate the need for the SOW change. The request must include an updated SOW, schedule, and budget. An updated BCA may be required to verify the Project remains cost-effective. Any SOW changes are subject to all programmatic requirements.

CONDITIONS OF APPROVAL

HMGP Project No. 4339-0343

Local Redevelopment Authority for Roosevelt Roads

Wastewater Infrastructure Generators - Local Redevelopment Authority for Roosevelt Roads

5. Grant Management Requirements

Additional information is required to confirm feasibility, engineering performance, and environmental acceptability, and to validate cost effectiveness in order to establish a determination for total project funding. The project review process is therefore being divided into two (2) components: Phase 1 (procurement of A&E services, site assessment and feasibility study, environmental and cultural studies, geotechnical and soil study, structural analysis, electrical load study, risk assessment and safety analysis, preliminary and final design, construction documents, and initial permitting) and Phase 2 (procurement of construction services, engineering services during construction, final permitting, project management, equipment, mobilization and demobilization, demolition and removal, installation, construction, inspection, administrative and legal expenses, contingencies, and project close out).

Upon submission of the required Phase 1 deliverables, FEMA will review and determine project eligibility. Should FEMA approve funding for Phase 2, the Recipient and/or Subrecipient will be responsible for obtaining all required federal, state, and/or local permits prior to Phase 2 construction. A copy of all permits must be submitted to and maintained with the Recipient and, if requested, made available to FEMA for review. Failure of the Recipient and/or Subrecipient to obtain the required permits associated with the approved SOW would violate a condition of this Project approval. This could result in a determination that no federal funding is eligible for the Project.

Grant agreement articles of the FEMA-State Agreement govern this Hazard Mitigation Grant Program (HMGP) Management subaward, which incorporates the grant management requirements set forth in Titles 2 and 44 C.F.R. Recipients are required to report deviations from budget, project scope or objectives. Recipients must request prior approvals from FEMA for certain budget and program plan revisions in accordance with this section and the requirements in 2 C.F.R. § 200.308. For one-time extensions, the recipient must notify the Federal awarding agency in writing with the supporting reasons and revised period of performance (POP) at least 10 calendar days before the end of the POP specified in the Federal award. This one-time extension must not be exercised merely for the purpose of using unobligated balances, 2 C.F.R. § 200.308(g)(2).

6. Project Funding

At this time, funding will be made available in an amount not to exceed the total Phase 1 cost of \$332,497.94. Additionally, \$16,624.90 will be obligated for 5% Management Costs for Phase 1. The remaining project funding of \$2,447,710.65 for Phase 2 tasks and \$122,385.53 for 5% Management Costs are being reserved should Phase 2 be approved. Based on the final budget submitted, the maximum total project cost for both Phase 1 and Phase 2 of the Project is not to exceed \$2,780,208.59. Phase 1 is 100% FEMA HMGP funded under COR3's Global Match Strategy. If approved, Phase 2 is proposed to be FEMA HMGP funded under COR3's Global Match Strategy.

CONDITIONS OF APPROVAL

HMGP Project No. 4339-0343

Local Redevelopment Authority for Roosevelt Roads

Wastewater Infrastructure Generators - Local Redevelopment Authority for Roosevelt Roads

A summary of project costs for each phase and the proposed federal share is in Table 1. The necessary costs of requesting, obtaining, and administering the federal disaster subawards will be managed in accordance with FEMA HMGP Management Cost Policy # 104-11-1 of FEMA Policy # 104-11-1 HMGP- MC (Interim) issued on November 15, 2018.

Table 1. Summary of Project Costs

Total Cost	Budget Cost Classification	Federal Share	Global Match CDBG	Total Funding
Phase 1	Other A&E fees (site assessment and feasibility study, geotechnical and soil study, environmental studies, structural analysis, electrical load study, risk assessment and safety analysis)	\$105,611.76	\$0.00	\$105,611.76
	A&E fees (preliminary and final design, construction documents)	\$154,076.18	\$0.00	\$154,076.18
	Administrative and legal expenses (permitting)	\$72,810.00	\$0.00	\$72,810.00
	Phase 1 subtotal	\$332,497.94	\$0.00	\$332,497.94
Phase 2 *	Phase 2 subtotal	\$2,447,710.65	\$0.00	\$2,447,710.65
Total Estimated Project Cost		\$2,780,208.59	\$0.00	\$2,780,208.59
Phase 1 5% Management Cost		\$16,624.90	\$0.00	\$16,624.90
Phase 2 5% Management Cost		\$122,385.53	\$0.00	\$122,385.53

**Phase 2 costs are based on pre-award estimates. Phase 2 approval will require a greater level of detail of cost line items based on activities conducted during Phase 1.*

7. Budget Changes

The Recipient and/or Subrecipient are permitted to re-budget within the approved direct cost budget to meet unanticipated requirements and may make limited program changes to the approved budget. For more information on direct cost categories, please see 2 C.F.R. Part 200, Subpart E, Cost Principles. Budget modifications require prior written approval from FEMA as follows:

CONDITIONS OF APPROVAL

HMGP Project No. 4339-0343

Local Redevelopment Authority for Roosevelt Roads

Wastewater Infrastructure Generators - Local Redevelopment Authority for Roosevelt Roads

- a. Cost overrun and underruns can result from a scope, schedule, or budget change. Recipients must notify FEMA prior to redirecting funds from an underrun to other approved subgrants for which an overrun has been requested. The subgrant must continue to meet programmatic eligibility requirements, including cost share.

8. Phase 1 Deliverables

Approval for Phase 2 is contingent upon the timely submission of properly completed Phase 1 deliverables as specified in this COA. In accordance with Hazard Mitigation Assistance (HMA) Guidance, and Part VIII, Additional Program Guidance: A. HMGP A.13 Phased Projects, the Phase 1 deliverables must include the following, which are further defined below:

- a. Detailed SOW for Phase 2.
- b. Revised cost estimate and schedule.
- c. Assessment reports, design plans, and technical specifications.
- d. Final BCA with BCA narrative and supporting documentation.
- e. Environmental data collection requirements.
- f. Within 30 days of the kick-off meeting date, provide an updated Phase 1 milestone schedule showing estimated completion dates for each activity.

The Phase 1 deliverables will include:

a. Detailed SOW for Phase 2

- 1) Provide a detailed SOW with specific tasks and milestones for Phase 2 of the Project.
- 2) Identify the technical standards and/or specifications required by the design.
- 3) Provide project maps and site photos. This includes photos of any existing structures in proposed construction areas.
- 4) If results of technical studies completed for Phase 1 determined a change in proposed design, document design alternatives considered and indicate which one was selected. The alternatives consideration will also be used for EHP analysis.

b. Cost Estimate and Schedule

CONDITIONS OF APPROVAL

HMGP Project No. 4339-0343

Local Redevelopment Authority for Roosevelt Roads

Wastewater Infrastructure Generators - Local Redevelopment Authority for Roosevelt Roads

- 1) Provide an updated Phase 2 budget narrative with a project cost breakdown and supporting documentation. Lump-sum estimates are not eligible and will not be accepted.
- 2) Provide a final itemized Phase 2 cost estimate that includes the materials, with unit description and unit cost. For labor and rental equipment, include number of hours and hourly rate.
- 3) The cost estimate should indicate when the funds are expected to be expended, and line-item descriptions should be detailed enough to validate actual expenditures at closeout.
- 4) The source(s) and methodology used to develop the cost estimate should be provided.
- 5) The Recipient and/or Subrecipient must also identify the total contractual obligation, both paid and payable for Phase 1 with a breakdown by Budget Cost Classification.
- 6) Provide a detailed work schedule for all elements described in the Phase 2 SOW.

c. Assessment Reports, Design Plans, and Technical Specifications

- 1) Assessment reports must include:
 - a) Site assessment and feasibility study
 - b) Environmental studies
 - c) Electrical load study. The assessment shall include determination of the electrical load for each facility and the sizing/capacity of the systems and distribution requirements.
 - d) Geotechnical and soil study
 - e) Structural analysis
 - f) Risk assessment and safety analysis
- 2) Design plans and technical specifications must include:
 - a) Phase 1 will follow an iterative design process that includes coordination between the Subrecipient, Recipient, and FEMA at identified

CONDITIONS OF APPROVAL

HMGP Project No. 4339-0343

Local Redevelopment Authority for Roosevelt Roads

Wastewater Infrastructure Generators - Local Redevelopment Authority for Roosevelt Roads

benchmarks (e.g., 30%, 60%, 90% and final design stages) to assist in identifying any potential issues at the earliest possible time. The Subrecipient, Recipient and FEMA shall meet within 30 days following the Subrecipient's procurement of an engineering firm to confirm a design schedule for this Project. The purpose is to determine appropriate coordination points and materials to be submitted, considering the project type, the information already available, and Phase 1 deliverables, and ensuring continued cost-effectiveness and compliance with EHP conditions.

- b) Thirty percent level design plans and specifications.
- c) Sixty percent level design plans and specifications.
- d) Final design plans and construction documents. Design plans and specifications should be signed and sealed by a licensed professional engineer registered in Puerto Rico. All components of the Project shall be designed to comply with the 2018 Puerto Rico Building Code, the American Society of Civil Engineers (ASCE) 7-16 (Minimum Design Loads for Buildings and Other Structures), ASCE 24-14 (Flood Resistant Design and Construction), National Fire Protection Association Standard 110, and all applicable local codes and standards.

The generators design shall validate the facility load consumption, generator size, capacity, and functionality. The generators enclosure shall be designed to resist design wind speed and seismic events. The generators shall be appropriately anchored to resist design wind speed and seismic events.

The generator and electrical equipment for lift stations 39, 1812, 1971, and 2382 must be elevated at or above the 500-year anticipated flood elevation, per requirements of ASCE-24.

- e) Permitting documentation, including permit applications and copies of permits received.

d. Benefit-Cost Analysis

- 1) Submit an updated BCA to validate the assumptions of the BCA used to approve Phase 1, using data developed during Phase 1. All inputs in the BCA must be justified with supporting documentation. Unsupported assumptions used in the BCA may result in the inability to demonstrate cost-effectiveness which will result in the Project's denial.
- 2) Provide all supporting documentation, including annual maintenance costs necessary for the upkeep or repair of mitigation project components to

CONDITIONS OF APPROVAL

HMGP Project No. 4339-0343

Local Redevelopment Authority for Roosevelt Roads

Wastewater Infrastructure Generators - Local Redevelopment Authority for Roosevelt Roads

ensure that the Project maintains its effectiveness over its useful life. Estimates can be provided by standard cost estimating software, or engineering documents, and must be certified by a professional engineer or architect.

e. Environmental Data Collection Requirements

- 1) Subrecipient shall comply with the conditions identified in the Phase 1 Record of Environmental Considerations (REC).
- 2) Provide a detailed SOW narrative and conceptual design plans (aerial map) describing existing and proposed conditions. Include locations and conservative dimensions (Length X Width X Height or Depth) of the following components.
 - a) Site Preparation area
 - (1) Staging area (temporary location of materials, equipment, offices, other)
 - (2) Vegetation removal
 - (3) Ground disturbance activities, including grading, excavation, trenches, cut, fill, other earth movement actions for the generator structure, bases, and trenching for cables
 - (4) Total project area (in acres)
 - b) Proposed actions including new equipment, utility realignment and relocations
 - (1) Identify specific location site for final installation
 - (2) Generators (provide updated specifications and capacities)
 - (3) Connection, routes and trench needs
 - (4) Demolitions (partial or complete as applicable)
 - (5) Concrete bases
 - c) Other new construction proposed
- 3) Confirm proposed actions are the most practicable alternative to reduce potential flooding impacts to the community and will not result in back flooding. The Subrecipient shall use the following factors to describe practicability per 44 C.F.R. Part 9: (A) Natural environment (topography, habitat, hazards, etc.); (B) Social concerns (aesthetics, historical and cultural values, land patterns, etc.); (C) Economic aspects (costs of space, construction, services, and relocation); and (D) Legal constraints (deeds, leases, etc.).
- 4) Identify mitigation measures, construction methodology, flood hazard reduction techniques, codes and standards, and best management practices

CONDITIONS OF APPROVAL

HMGP Project No. 4339-0343

Local Redevelopment Authority for Roosevelt Roads

Wastewater Infrastructure Generators - Local Redevelopment Authority for Roosevelt Roads

included in the Project to reduce the short term and long-term impacts of the proposed Project to the floodplain and wetlands. Specify actions proposed to restore and preserve the natural and beneficial values of the floodplain and wetlands.

- 5) Provide the Source of Emission Permit or General Permit, as applicable, from the Puerto Rico Department of Natural and Environmental Resources for each of the new generators that will be installed.

9. Environmental Review Project Conditions

Any change to the approved SOW will require re-evaluation for compliance with National Environmental Policy Act (NEPA) and other laws and executive orders. The Recipient and/or Subrecipient should be made aware that this document does not address all federal, state, and local requirements. Acceptance of federal funding requires the Recipient to comply with all federal, state, and local laws. Failure to obtain all appropriate federal, state, and local environmental permits and clearances may also jeopardize project funding. Further Environmental Review Project Conditions are included in the attached REC. Phase 1 technical review and deliverables must be provided to FEMA before Phase 2 compliance review and project approval. Any subsequent versions of this Project will require EHP review.

As soon as practicable, the Recipient and Subrecipient are required to coordinate with FEMA EHP for a project scoping meeting to determine the correct level of NEPA review. Following the progress of the identified project design benchmarks (e.g., 30%, 60%, 90% and final design stages) will be essential for timely identification of EHP compliance requirements. Preliminary project designs indicate the Project may require an Environmental Assessment to evaluate the potential for extraordinary circumstances and to consider potential cumulative effects in compliance with NEPA.

The project location and SOW are likely to cause direct and/or indirect impacts, therefore, the Subrecipient shall provide sufficient project information regarding potential impacts on resources. As the COA highlights, Phase 1 deliverables (e.g., copies of permits, plans, engineering studies or regulatory agency coordination) completed over the course of Phase 1 work will need to be provided to FEMA EHP. The Subrecipient is required to adhere to all applicable Federal Laws, Regulations and Policies.

10. Project Completion Schedule

The subgrant Phase 1 Project must be completed within the approved project schedule. The project completion date for this Phase 1 subgrant award is October 31, 2026. Under no circumstances shall ground disturbance and/or construction commence, and the Recipient and/or Subrecipient may not undertake Phase 2 (Construction) until FEMA provides specific approvals and authorizations that may also include additional COA.

Changes to the project schedule would be considered a SOW change and therefore must be pre-approved by FEMA and the grant Recipient. In order to request a POP extension, Recipient must

CONDITIONS OF APPROVAL

HMGP Project No. 4339-0343

Local Redevelopment Authority for Roosevelt Roads

Wastewater Infrastructure Generators - Local Redevelopment Authority for Roosevelt Roads

submit a formal written request. The request must be made no later than 60 days prior to the expiration of the POP and must include a justification for the extension. This justification must demonstrate that no construction work is in progress. This request must also include: a revised work schedule, the budget information form (regardless of whether there are changes to the budget), and copies of any contracts entered into by the Recipient and/or Subrecipient with vendors including the percentage and description of all the activities completed. Unless the request is based on extenuating circumstances, extensions may not be considered for projects that are the result of the Recipient or Subrecipient delay in project initiation and implementation. The Recipient shall submit a revised project schedule reflecting the new POP end date with the notification to FEMA of the change.

11. Reporting Requirements

Recipients and Subrecipients must maintain records of work performed and project expenditures. Recipients must submit quarterly financial and performance reports to FEMA by January 30, April 30, July 30, and October 30. The first quarterly report is due 30 days after the end of the first federal quarter following the initial grant award. FEMA may elect to waive the initial reports. The Recipient shall submit quarterly financial status and performance reports thereafter until the grant is closed out. Failure to submit financial and performance reports to FEMA in a timely manner may result in an inability to access grant funds until proper reports are received by FEMA.

a. Financial Reports

Recipients shall submit a quarterly Federal Financial Report (FFR). Obligations and expenditures must be reported on a quarterly basis through the FFR (SF-425), which is due to FEMA within 30 days of the end of each calendar quarter (e.g., for the quarter ending March 31, the FFR is due no later than April 30). A report must be submitted for every quarter of the project's POP, including partial calendar quarters, as well as for periods where no grant activity occurs. Future awards and fund drawdowns may be withheld if these reports are delinquent. FEMA may suspend drawdowns from Smart Link/PARS or take other available remedies if quarterly reports are not submitted on time. The final FFR is due 90 days after the end of the POP.

The Office of Management and Budget have directed that FFR (SF-425) replace the use of the SF-269, SF-269A, SF-272, and SF-272-A. The SF-425 is intended to provide federal agencies and grant recipients with a standard format and consistent reporting requirements.

b. Performance Reports

The Recipient shall submit a quarterly Performance Progress Report (PPR) for each subgrant award. Performance reports should be submitted using the SF-PPR form, the standard, government-wide performance progress reporting format used by federal

CONDITIONS OF APPROVAL

HMGP Project No. 4339-0343

Local Redevelopment Authority for Roosevelt Roads

Wastewater Infrastructure Generators - Local Redevelopment Authority for Roosevelt Roads

agencies to collect performance information from recipients of federal funds. The Recipient shall also submit a narrative report on progress with the PPR using an agreed upon template by FEMA and the Recipient. The Recipient shall sign and certify the information provided in the performance report is accurate. At a minimum, the PPR and narrative should include:

- 1) Reporting period, date of report, Recipient point of contact (POC) name, and POC contact information.
- 2) Project identification information, including FEMA project number (including disaster number), Subrecipient, and project type using standard NEMIS project type codes.
- 3) Significant activities and developments that have occurred or have shown progress during the quarter, including a comparison of actual accomplishments to the work schedule objectives established in the grant. Describe activities to be completed in the next quarter.
- 4) Percent of work completed, if the project milestones are on schedule, a discussion of any problems, delays, or adverse conditions that will impair the ability to meet the timelines stated in the grant, and anticipated completion date. Provide an updated milestone schedule as needed.
- 5) Status of costs, including whether the costs are: (1) unchanged, (2) overrun, or (3) underrun. If there is a change in cost status, the report should include a narrative describing the change.
- 6) A statement of whether a request to extend the subgrant POP is anticipated. Requests for additional project time extensions will only be considered in instances where the Recipient and/or Subrecipient has provided FEMA with accurate quarterly status reports. FEMA may suspend drawdowns from SMARTLINK if quarterly reports are not submitted on time.
- 7) Additional information, including supporting documentation, photos, or deliverables developed under the subgrant, as required by FEMA to assess the progress of an award.

12. Closeout

Upon successful completion of the Project, the Recipient will be required to ensure that the subgrant has been completed in compliance with the approved SOW, all required environmental conditions, and HMA Guidance. Refer to 44 C.F.R. § 206.438(d) to ensure the Project is managed to meet project closeout requirements. The Recipient will submit a letter signed by the Governor's Representative or equivalent certifying that:

CONDITIONS OF APPROVAL

HMGP Project No. 4339-0343

Local Redevelopment Authority for Roosevelt Roads

Wastewater Infrastructure Generators - Local Redevelopment Authority for Roosevelt Roads

- a. The report costs were incurred in the performance of eligible work.
- b. The approved work was completed, and the mitigation measure is in compliance with the provisions of the FEMA-State Agreement.
- c. Each subgrant has been completed in compliance with the approved SOW.
- d. Actual expenditures have been documented and are consistent with the SF-424A or SF-424C.
- e. All program income has been deducted from total project costs as specified in 2 C.F.R. § 200.307.
- f. All project work was performed in accordance with all required and applicable building codes as modified or protected by the approved Project.

FEMA will review all closeout documentation for compliance and may send the Recipient a request for additional supporting documentation, if needed.