



Title: FEMA Repayment Summary

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Purpose:

Provide additional context to the Board of Managers regarding the repayment of de-obligated funds to FEMA

Summary:

During the period of June 11, 2014, through July 11, 2014, torrential rain impacted the State of Minnesota and caused severe weather conditions including high winds, heavy rains, mainstream river and tidal flooding. This resulted in widespread flooding as rivers and streams crested at near record levels. As a result of the severe storms and flooding a major disaster was declared for the State on July 21, 2014. Water levels within Minnehaha Creek exceeded peak stage on record, causing excessive bank and stream bed scour, stream channel erosion and uprooting of bank edge trees into the creek.

The district applied for FEMA Grants to support the costs associated with repairs and debris removal in this area. Through this effort, we secured grant funding for nine project areas along the creek, totaling \$444,830.85.

Although the district initially planned to complete all approved projects, circumstances led to adjustments in project execution. In certain locations, local cities took responsibility for debris removal, reducing the district's scope of work. Additionally, the district made strategic decisions not to proceed with some of the repairs and debris removal projects initially covered by the grants. It's important to note that FEMA funding only covers expenses directly related to restoring natural features to their original condition. Activities such as channel realignment or infrastructure improvements fall outside the scope of eligible expenses.

As of January 2025 of the nine projects, two were successfully completed and officially closed out, accounting for \$106,645.51 of the awarded funds. The remaining seven projects had incurred \$25,976.85 in eligible expenses. FEMA de-obligated the remaining funds and requested a repayment for the unused balance of \$312,208.49. These funds were returned to FEMA on January 23, 2025.

Over the course of the next several months, District staff worked with FEMA to close out the remaining seven projects. In May one additional project was closed with the District to receive \$101,152.41. When the funds were received in September the amount received was actually \$173,361.35. Unfortunately FEMA did not catch the overpayment error until after the funds had already been direct deposited into the District's bank account. FEMA has requested the District return the overpayment portion of \$72,208.94. Staff's check request this payment cycle is to simply return the funds to FEMA that were not rightfully due to the District. Once these funds are returned all FEMA transactions will be completed as all remaining projects have been closed.