



FEMA

March 12, 2024

Dustin S. Heiser, Interim Director
Kentucky Division of Emergency Management
100 Minuteman Parkway
Frankfort, Kentucky 40601-6168

Attention: Ms. Geneva "Geni Jo" Brawner
State Hazard Mitigation Officer

Reference: HMGP 4630-0041-R Dawson Springs Community Safe Room –
Phase I Approval Letter

Dear Mr. Heiser:

I am pleased to inform you that the project referenced above has been approved for \$145,000.00 with a federal share of \$130,500.00 and a non-federal share of \$14,500.00. Financial approval documents for the Phase I award are enclosed for your records.

The following is the approved Statement of Work (SOW) for Phase I for the above referenced project:

Dawson Springs is requesting phase I engineering and design funding for phase II construction of one (1) standalone tornado safe room by FEMA 361 guidelines for community shelter at 314 Eli Street, Dawson Springs, KY 42408 (37.166755, -87.687884).

Once all Phase I deliverables are received, reviewed, and approved by FEMA, we will send written notification that the Phase II work can begin. Starting any Phase II work, or any other ground disturbing activities or construction, without FEMA's written approval could jeopardize the project funding.

Phase I Deliverables:

Phase 1 deliverables should include:

- Final engineering and design documents for the proposed activity demonstrating eligibility with HMA guidance.
- Updated cost estimate based upon the final design.
- Revised work schedule to implement the proposed measure within the remaining grant Period of Performance.
- Updated Benefit Cost Analysis (BCA) demonstrating the final proposed project to still be cost effective is required for.

- Ground disturbance information, including area and depth of proposed ground disturbance. Maps of proposed ground disturbance should be provided. Phase II may require consultation by FEMA with SHPO and tribes.
- Other items FEMA determines necessary, as a result of the design process identifying any unforeseen requirements.

Standard Conditions:

Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.

This review does not address all federal, state, and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state, and local laws. Failure to obtain all

appropriate federal, state, and local environmental permits and clearances may jeopardize federal funding.

If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archeological cultural resources are discovered, will immediately cease construction in that area and notify the SHPO office and FEMA.

Period of Performance (POP):

The current Period of Performance date for DR-4630-KY is **June 10, 2026**. FEMA will not establish activity completion timeframes for individual sub-grants; therefore, all the activities in the scope of work should be completed and submitted to FEMA in a timely manner to allow completion. The State must submit all financial, performance, and other reports required as a condition of the grant prior to October 8, 2026.

Scope of Work (SOW) Changes:

The State (grantee) must obtain prior approval from FEMA before implementing changes to the approved project SOW. According to the Uniform Administrative Requirements for grants and cooperative agreements to State and Local Governments:

- A change in the scope of work must be approved by FEMA in advance regardless of the budget implications.
- Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.

The grantee must notify FEMA as soon as significant developments become known, such as delays or adverse conditions that might raise costs or delay completion, or favorable conditions allowing lower cost or earlier completion. Any extensions of the POP must be submitted to FEMA 60 days prior to the expiration date.

The grantee must avoid duplication of benefits between the HMGP and any other form of assistance, as required by Section 312 of the Stafford Act, and further clarified in 44 CFR 206.191.

Subrecipient Management Costs have been obligated as noted in the table below:

Subrecipient Management Cost Funding for Subject Project			
Total Cost	Federal Share	Non-Federal Share	Subrecipient Management Costs
\$145,000.00	\$130,500.00	\$14,500.00	\$8,700.00

Normally, all management costs will be provided in increments sufficient to cover Recipient and Subrecipient needs for no more than one year unless contractual agreements require additional funding.

FEMA defines management costs as any:

- Indirect costs
- Direct administrative costs, and
- Other administrative expenses associated with a specific project

This project must adhere to all program guidelines established for the Hazard Mitigation Grant Program and expenditure of subrecipient management costs must adhere to FEMA Policy #104-11-1 HMGP MC (Interim) A. Requirements and B. Program Requirements and Procedures (November 15, 2018)

FEMA will reimburse management costs based upon actual costs, with 100 percent federal funding up to:

- 10 percent of the HMGP total award amount for the Recipient, excluding Subrecipient management costs.
- 5 percent of the HMGP total award amount for Subrecipients.

Monitoring for Management Costs

- The Recipient will reconcile subrecipient management costs against actual costs of the total award on a quarterly basis.

Please refer the sub-recipient to the State HMGP Administrative Plan for project cost overrun regulations. If project costs exceed the amount originally funded and additional federal funds are needed, the sub-recipient must contact the Governor's Authorized Representative (GAR). The GAR will evaluate requests for cost overruns and submit to the Regional Administrator written documentation of cost overrun eligibility. Cost overruns shall meet Federal regulations set forth in 44 CFR 206.438(b).

The State HMGP Administrative Plan defines the procedure whereby the GAR may advance portions of the approved Federal share to the sub-recipient. Upon completion of the HMGP project, the sub recipient's closeout reimbursement for the final Federal share of eligible project costs must be submitted to the Regional Administrator for review and determination.

Incremental Reconciliation of Reported Expenses

- FEMA will reconcile management costs against actual costs on a quarterly basis.
- On a quarterly basis, FEMA will review the recipient's expenditures of any management costs based on submission of the quarterly reports to verify that expenditures reflect actual costs and to verify expenditures are reasonable. This will allow FEMA to identify potential problems and allow the Recipient to correct issues early in the grant cycle and avoid delays at closeout.

The Recipient must provide the subrecipient management costs for documented actual costs. Because management costs are based on actual costs, FEMA will make corresponding adjustments as obligations and de-obligations are made. Final adjustments to management costs will be made at closeout when the total award amount is determined based on actual costs to complete the scope of work.

Quarterly progress reports for the HMGP projects are required. Please include this HMGP project in your future quarterly reports. Section 206.438(d) of 44 CFR requires the GAR to “certify that reported costs were incurred in the performance of eligible work, that the approved work was completed, and that the mitigation measure is in compliance with the provisions of the FEMA-State Agreement.”

The obligation report is enclosed for your records. The obligated funds are available for withdrawal from **Payment Management System (PMS)** on sub-account **4630DRKYP00000415**.

If you have any questions, please contact Kelsey Goodman at (202) 997-7573.

Sincerely,

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H JOHNSON Date: 2024.03.13
16:32:45 -04'00'

Shemeeka H. Johnson Chief
Disaster Implementation Branch
Mitigation Division

Enclosures:
Obligation Supplemental No. 24
Record of Consideration (REC)