



May 28, 2026

Mr. Kevin Guthrie, Director
Florida Division of Emergency Management
2489 Shumard Oak Boulevard
Tallahassee, FL 32399-2100

Attention: Ms. Laura Dhuwe, State Hazard Mitigation Officer

Reference: Hazard Mitigation Grant Program (HMGP) Project 4673-0338-R
Village of Estero, Broadway Avenue West, Infrastructure Retrofit
HMGP Project and SMRC Approval

Dear Mr. Guthrie:

In accordance with the Program Administration by State (PAS) Operational Agreement for DR-4673-FL, the Federal Emergency Management Agency (FEMA) concurs with the State's approval of project 4673-0338-R for a total project cost of \$20,254,479.00 with a Federal share of \$15,190,859.25 and a non-federal share in the amount of \$5,063,619.75.

In conjunction with the award of the project, the Recipient has requested FEMA approval of Subrecipient Management Costs (SRMC) for anticipated personnel and contractual expenses. Since the management costs application is above the threshold of \$25,000.00, and in accordance with the obligation policy below, Year 1 costs of \$115,445.84 has been approved and obligated. FEMA also concurs with the approval of \$40,744.20 in pre-award costs.

The following is the approved Scope of Work (SOW) for the above-mentioned project:

The Village of Estero proposes a utility mitigation project to harden and improve the potable water and wastewater systems north and south of Broadway Avenue West in Estero, Florida 33928. The entire project area is divided in three phases or areas. Area A consists of the Estero River Heights and Quarterdeck Cove platted residential area located south of Broadway Avenue West between Armada Court and Pine Tree Lane. Area B consists of the Cranbrook Harbor platted residential area also located south of Broadway Avenue West between Pine Tree Lane and Holiday Drive. Area C consists of the Broadway Mobile Home Park residential area located north of Broadway Avenue West along Sherrill Lane and Luettich Lane.

The proposed project consists of converting the existing onsite water well and septic tank systems into potable water and sanitary sewer collection infrastructure, which shall be directly connected to the existing Lee County Utilities water and sewer system, to mitigate the loss of utility service in the project area. Scope of work activities in Areas A, B and C include mobilization, surveying and site testing along with demolition and replacement of existing roadways, sidewalks and driveways as necessary to allow installation of new utility infrastructure. The scope of work also includes the

abandonment of existing septic tanks and water well structures. Abandoned septic tanks shall be emptied and the floors and walls shall be cracked to prevent the tank from holding water. The tanks are to be filled with sand or another clean fill. Abandoned wells shall be capped and associated components removed. The Sub-applicant is coordinating water well abandonment activities with the homeowners. Construction of the potable water system includes installation of new 8-inch and 10-inch water main pipelines via open-cut, fire hydrant assemblies, 8-inch and 10-inch gate valves, new water service and meter boxes and connection to the existing 8-inch and 10-inch water main. Construction of the wastewater collection system includes the installation of 8-inch gravity sewer main pipelines, gravity sewer 4-foot and 6-foot diameter manholes with gasketed lids, sanitary sewer service laterals, plug valves, air release valves, 4-inch force main pipelines via open-cut and connection to existing 4-inch and 8-inch force main. The proposal also includes the construction of two wastewater pump stations, each with a wet well and watertight hatch, duplex submersible pumps, submersible level transmitter, control panels and necessary assemblies and site work. The pump station servicing Area A includes necessary activities to provide backup power to this critical facility. These activities entail the installation of a quick-connect electrical port, associated electrical work and an adequate location for a trailer-mounted portable generator. The pump station servicing areas B and C also includes an emergency backup power system consisting of a 50-kW permanent diesel generator, or the adequate size determined by the vendor and/or an electrical engineer during the bid process to appropriately support this critical facility, construction of a raised concrete pad, and installation of an automatic transfer switch and associated electrical work.

The entire project area is currently susceptible to flooding from high precipitation events and storm surge events that could negatively impact the operation of the existing water well and septic tank systems. The Village of Estero experienced historical loss of water and sewer service during Hurricane Ian in 2022 and Hurricanes Helene and Milton in 2024. Specifically, Areas A and B, which are directly adjacent to the Estero River, were severely inundated during Hurricane Ian due to the coastal storm surge that caused riverine water levels to rise. The depth of flooding close to the Estero River reached approximately five to six feet inside the houses and most parcels experienced flooding of yards, septic drain fields and water wells. Area C, known to have regular street and yard flooding during periods of heavy rainfall, also experienced flooding damage to septic drain fields and water wells during Hurricane Ian. In 2024, Areas A and B experienced additional coastal storm surge flooding damage from Hurricanes Helene and Milton. These reoccurring flooding events threaten to continue raising the groundwater elevations in the project area above the top of existing septic tank systems. This can lead to the leaching of untreated wastewater into surrounding soil and surface waters, posing significant risks to public health and water quality. The septic system can be impacted in multiple ways, including full inundation which can backflow into residences, or potentially cause the septic tank to become buoyant and displaced. Additionally, standing flood water can negatively impact residential water well systems by damaging well heads and electrical components. With the reliance on small, individual, shallow wells for household water supplies, the area is very susceptible to saltwater intrusion as sea levels continue to rise. Given projected sea level rise and the increasing risk of major tropical cyclone impacts, it is anticipated that these issues will become more frequent and impactful. The proposed utility mitigation project intends to reduce the risk of utility service losses and eliminate the risk of future flooding damage to water well and septic tanks, sewage backup and groundwater contamination. Upon completion, the hardened potable water and sanitary sewer collection systems are to be operated and maintained by Lee County Utilities, thereby increasing system reliability during future flooding events and ensuring continuity of daily operations.

All project components shall be protected against a 500-year (0.2% annual chance) flood event by implementing specific activities or by locating them outside the Special Flood Hazard Area (SFHA), comply with applicable National Flood Insurance Program (NFIP) requirements and shall be protected against wind based on location requirements per ASCE 7 standards effective at the time of

permitting. The selected site shall provide sufficient space to maintain and fuel the generator(s) and shall comply with the National Electrical Code working clearance requirements. Activities shall be completed in strict compliance with Federal, State and Local applicable Rules and Regulation.

FEMA will not establish activity completion timeframes for individual subawards. The period of performance (POP) of the grant award will be 36 months from the close of the application period for DR-4673. **The current POP for DR-4673 will expire on June 20, 2028.** In accordance with HMGP rules and policy, we will require the submittal of all closeout documentation within 120 days, no later than October 18, 2028.

This project must adhere to all program guidelines established in the Hazard Mitigation Assistance Guide dated February 27, 2015, which is the definitive policy document for the Federal Insurance and Mitigation Administration (FIMA) and in accordance with the PAS Operational Agreement between FEMA Region 4 and Florida Division of Emergency Management for DR-4673. The Hazard Mitigation Grant Program for DR-4673 is also governed by the applicable FEMA-State Agreement for DR-4673.

Special Conditions required on implementation of Projects:

- EO 11988 CONDITION: The generators, electrical components, facility, and all its attendant utilities are supporting a critical action and must be protected to the 500-year (0.2% annual chance) flood elevation flood elevation. Failure to comply with this condition may jeopardize FEMA funding; verification of compliance shall be required at project closeout.
- EO 11988 CONDITION: The subrecipient must obtain floodplain permit from the local floodplain administrator before work begins. Failure to comply with these conditions may jeopardize FEMA funding; verification of compliance shall be required at project closeout.

Source of condition: Executive Order 11988 – Floodplains

Monitoring Required: No

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 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 jeopardize Federal funding.
- If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.

Subrecipient Management Costs (SRMC): Expenditure of subrecipient management costs must adhere to FEMA Policy #104-11-1 Hazard Mitigation Grant Program Management Costs (Interim) signed November 14, 2018. Any activities that are directly related to a project are not eligible under management costs. For example, architectural, engineering, and design services are project costs and cannot be included under management costs. Similarly, construction management activities that manage, coordinate, and supervise the construction process from project scoping to project completion are project costs. These activities cannot be included under management costs.

FEMA will reimburse management costs based upon actual costs, with 100 percent federal funding up to 5 percent of the HMGP total award amount for Subrecipients. Regardless of when subawards are obligated, if the total amount of the grant award is adjusted for any reason, FEMA will de-obligate management costs that exceed the 5 percent cap for subrecipients based on updated calculations. The Recipient will reconcile subrecipient management costs against actual costs of the total award on a quarterly basis.

The State HMGP Administrative Plan defines the procedure whereby the Governor's Authorized Representative (GAR) may advance portions of the approved Federal share to the subrecipient. If project costs exceed the amount originally funded and additional federal funds are needed, the subrecipient 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).

Quarterly progress reports for the HMGP projects are required. Please include this HMGP project in your future quarterly reports. Note that 44 CFR 206.438(c) indicates the State must provide a quarterly progress report to FEMA indicating the status and completion date for each project funded. The report will include any problems or circumstances affecting completion dates, scope of work, or project cost that may result in non-compliance with the approved grant conditions.

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 and Record of Environmental Consideration are enclosed for your records. The Management report is available in NEMIS. The obligated funds are available for withdrawal from the Payment Management System on sub-account number **4673DRFLP00002755**.

If you have any further questions, please contact Guillermo A. Da Costa Gomez at (202) 394-4567.

Sincerely,

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AARON L DEAN
Date: 2026.05.28
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Aaron L. Dean, Branch Director
Florida Recovery Office
Mitigation Division

Enclosures:

Obligation Report Supplemental #223 05.28.2026
Record of Environmental Consideration