

Flooding Urges Sewage Plant Officials to Reach Out to Adjusters International

Severe storms dumped massive amounts of rain in the Southern Tier of New York State in the summer of 2006, resulting in widespread flooding.



DESCRIPTION

Overflowing its banks, the Susquehanna River submerged the Binghamton-Johnson City Joint Sewage Treatment Plant under several feet of contaminated water. Along with the existing plant, floodwaters overwhelmed the Biological Aerated Filter (BAF) system, which was under construction, and the Johnson City Terminal Pump Station, which was located two miles from the plant.

Sewage pumps, electric motors and electrical control panels were all damaged with deposited mud and silt. At the time of the flooding, significant upgrades were being completed to address sewer discharges in the system.

ISSUES

The facility was located in an "A" designated flood zone, meaning the likelihood that a flood would occur within a 100-year period was great. Despite this designation, coverage through the National Flood Insurance Program (NFIP) was not obtained by the applicant.

The applicant had not obtained a "certificate of substantial completion" before the flooding occurred, allowing FEMA to take the viewpoint that the applicant did not yet own the BAF system. FEMA's position was that the BAF system was not eligible for funding

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and it was the responsibility of the city, contractor and insurance company to pay for the repair of the damages.

The plant not only needed to be returned to its pre-disaster condition, but hazard mitigation measures also needed to be installed to help prevent disasters of this magnitude from occurring at the facility.

SOLUTIONS APPLIED

Adjusters International personnel, working on behalf of the New York State Emergency Management Office, determined that more than 50 percent of the developed value of the facility was underground, and therefore National Flood Insurance Program (NFIP) regulations did not apply. And, since the applicant had no NFIP coverage, Adjusters International also determined that FEMA could not apply its mandatory \$500,000 reduction from their funding — or the amount of relief which the applicant should have obtained from their flood insurer.

Adjusters International disagreed with FEMA's position that the City, contractor and insurance company were responsible for funding the repair of the damages. Instead, a wastewater strike team was assembled with mitigation specialists to identify, write and obligate eligible restoration costs. The team cited a FEMA second appeal precedent that maintained that an applicant who provides an

owner-controlled insurance policy has "essentially assumed responsibility for the project while it's under construction and is responsible for all damages not covered by insurance" (cf. FEMA-1203-DR-CA; Metropolitan Water District of Southern California). This precedent allowed Adjusters International to prove that the BAF system was owned by the applicant, and that it was fully eligible for funding by FEMA.

Adjusters International submitted a grant application to FEMA for permanent repairs to restore the existing plant and terminal pump station to pre-disaster condition. The strike team prepared a mitigation proposal that included the substitution of damaged pumps with submersible pumps, which are much less prone to damage. Adjusters International also prepared a grant that funded an engineering feasibility study to further explore additional mitigation improvements to include flood barrier protection walls and other watertight structures.

OUTCOME

Adjusters International's involvement helped reverse FEMA's original denial of funding to full reimbursement for the repairs. In the end, Adjusters International's determination of eligibility allowed the applicant to secure over \$14 million in FEMA recovery funding for the facility.