

# H2O PA Flood Control

Program Guidelines | August 2009

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# Table of Contents

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<b>Section I Statement of Purpose</b> .....	1
<b>Section II Eligibility</b> .....	1
A. Eligible Applicants .....	1
B. Eligible Projects .....	1
C. Eligible Uses of Funds .....	1
<b>Section III Program Requirements</b> .....	2
A. Applicant Cost Share Requirements .....	2
B. Planning and Permit Requirements .....	2
C. Other Requirements .....	2
D. Fees .....	3
<b>Section IV Grants</b> .....	3
<b>Section V Application Procedures</b> .....	4
<b>Section VI Application Evaluation</b> .....	4
<b>Section VII Procedures for Accessing Funds</b> .....	5
<b>Section VIII Program Inquiries</b> .....	5
<b>Appendix I Supplemental Information</b> .....	6
<b>Appendix II Authorized Resolution</b> .....	8

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# Section I – Statement of Purpose

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The H2O PA Act was established by the General Assembly in July 2008. The Act provides single-year or multi-year grants to the Commonwealth, independent agencies, municipalities, or municipal authorities for flood control projects.

## Section II – Eligibility

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### A. Eligible Applicants

Any of the following entities may apply for a grant for the purpose of Flood Control Projects:

1. **The Commonwealth** – The Commonwealth of Pennsylvania.
2. **An Independent Agency** – A board, commission, or other agency or officer of the Commonwealth which is not subject to the policy, supervision, and control of the Governor. The term does not include a state-affiliated entity, any court or other officer or agency of the Unified Judicial System, the General Assembly and its officers and agencies, a state-related institution, a political subdivision, or a local, regional, or metropolitan transportation authority.
3. **A Municipality** – Includes any city, township, borough, town, county, or home rule.
4. **A Municipal Authority** – Includes an authority created by a municipality pursuant to the Act known as the "Municipal Authorities Act."

### B. Eligible Projects

Eligible H2O PA projects are those which involve the construction, improvement, repair, or rehabilitation of all or part of a flood control system. Types of flood control projects may include channel improvements, compacted earth levees, concrete channels, concrete floodwalls, detention dams, non-structural measures, or any combination of these project types. Major repairs or rehabilitation of an existing flood protection project would also be eligible.

### C. Eligible Use of Funds

H2O PA funds may be used by the applicant to pay for any of the following project costs:

1. Construction, improvement, expansion, repair, or rehabilitation of all or part of a flood control system.
2. Installation of security measures.
3. Engineering costs.
4. Inspection costs.
5. Permit Fees.
6. Costs to secure appropriate bonds and insurance.

7. Administrative costs of the applicant that are necessary to administer the H2O PA grant. Administrative costs will include advertising, legal, and audit costs as well as documented staff expenses. Administrative costs shall not exceed 3% of the H2O PA grant.

Ineligible costs include but are not limited to fees for securing other financing, interest on borrowed funds, and costs incurred prior to the approval of H2O PA grant funds.

## **Section III – Program Requirements**

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### **A. Applicant Cost Share Requirements**

An eligible applicant shall provide easements and rights-of-way, relocation of buildings and utilities, alterations or rebuilding of inadequate bridges, and operation and maintenance of the completed project.

### **B. Planning and Permit Requirements**

All recipients of H2O PA funding are required to demonstrate in the application that the project has secured planning and permit approvals for the project from the federal, state, and local governments and that the project generally is in compliance with county or local comprehensive plans as evidenced by a letter from the appropriate local planning agency.

### **C. Other Requirements**

1. **Conflicts of Interest**

An officer, director, or employee of an applicant who is a party to or who has a private interest in a project shall disclose the nature and extent of the interest to the governing body of the applicant and may not vote on any action of the applicant concerning the project nor participate in the deliberations of the applicant concerning the project.

2. **Nondiscrimination**

No assistance shall be awarded to an applicant under this program unless the applicant and project user certify to the Commonwealth Financing Authority (Authority) that they shall not discriminate against any employee or against any person seeking employment because of race, color, handicap, national origin, age or sex. All contracts for work to be paid with H2O PA assistance must contain the Commonwealth's official nondiscrimination clause.

3. **Project Records**

The applicant must maintain full and accurate records with respect to the project and must ensure adequate control over related parties in the project. The Authority requires access to such records, as well as the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon request of the Authority, the applicant must furnish all data, reports, contracts, documents, and other information relevant to the project.

4. **Pennsylvania Prevailing Wage Act**

All of the construction work associated with the project may be subject to the Pennsylvania Prevailing Wage Act, as determined by the Pennsylvania Department of Labor and Industry.

5. **Proof of Notification**

The applicant must provide proof that the county and host municipality or municipalities have been notified about the intended project.

6. **Project Audit**

For projects receiving grant funds in excess of \$100,000 an audit from a Certified Public Accountant (CPA) licensed in Pennsylvania listing all project costs must be submitted to the Authority within 90 days after expiration of the grant. In the opinion section of the audit, a statement shall be made certifying that Commonwealth funds were disbursed in accordance with the terms of the grant agreement.

7. **Bidding Requirements**

Applicants must comply with all applicable federal, state, and local laws and regulations dealing with bidding and procurement.

8. **Guideline Provisions**

The H2O PA guidelines provisions may be modified or waived by the Authority unless otherwise required by law.

**D. Fees**

The Commonwealth Financing Authority charges a \$100 non-refundable application fee for H2O PA applications. Application fee is due at the time of submission.

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## **Section IV – Grants**

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1. Grants shall be awarded to eligible applicants for projects with a total cost of \$500,000 or more.
2. Grants shall not exceed a total of \$20,000,000 for any project.
3. No money shall be authorized or distributed for any project within a city or county of the first or second class, other than those projects described in the Pennsylvania Gaming Economic Development and Tourism fund, until such time as an amount equal to \$750,000,000 has been authorized and distributed from the H2O PA Program for projects outside of a city or county of the first or second class.
4. Commencement of work prior to receiving Authority approval will result in the project being ineligible for funding consideration.
5. To be eligible for reimbursement, project costs must be incurred within the time frame established by the grant agreement.

## **Section V – Application Procedures**

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To apply for funding, the applicant must submit the electronic on-line Department of Community and Economic Development Single Application for Assistance located at [www.esa.dced.state.pa.us](http://www.esa.dced.state.pa.us). Once submitted, please print two (2) copies of the application, and send with the required supplemental information (please see Appendix I of these guidelines) via US Mail along with the signature page. Please reference the Web ID number on any documents sent with the signature page.

## **Section VI – Application Evaluation**

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All applications for financial assistance will be reviewed by the Authority in conjunction with the Department of Community and Economic Development and the Department of Environmental Protection to determine eligibility of the proposed project as well as the competitiveness of the proposal. Applications are evaluated on a competitive basis using the following criteria:

1. The number of municipalities that will potentially benefit from the project.
2. The history of flooding in the area to be served by the flood control project.
3. The number of homes, businesses, and/or industrial sites that will benefit from a project.
4. The cost-effectiveness of the flood control project.

Eligible H2O PA projects must show that a severe flood problem exists within a municipality and the cost of providing flood protection can be economically justified when compared to the benefits a project provides in reduced flood damages.

5. Whether the project will improve the ability of the eligible applicant to come into compliance with Federal and State statutes, regulations, or other standards.
6. Whether the eligible applicant has secured any required planning and permit approvals for the project from the Department of Environmental Protection.
7. Whether the project is consistent with any applicable county or local comprehensive plans.
8. Project readiness showing engineering analysis and the necessary documentation to take the project into construction.
9. The ability of the applicant to finance the project.

## **Section VII – Procedures for Accessing Funds**

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Following approval of an application by the Authority, a commitment letter will be issued by the Authority to the applicant explaining the terms and conditions of the grant. The commitment letter must be signed and returned to the Authority within 45 days of the date of the commitment letter or the offer may be withdrawn by the Authority.

Following the acceptance of an offer by the applicant, a grant agreement will be sent by the Authority to the applicant for execution. The applicant shall obtain the services of a professional engineer or architect licensed in Pennsylvania who will certify to the Authority during construction that the expenses were incurred and were in accordance with the plans approved by the Authority. The Authority will release funds to the applicant at not less than 30-day intervals.

## **Section VIII – Program Inquiries**

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Program inquiries should be directed to:

PA Department of Community and Economic Development  
Center for Business Financing – Site Development Division  
H2O PA Program  
Commonwealth Keystone Building  
400 North Street, 4th Floor  
Harrisburg, PA 17120-0225  
Telephone: (717) 787-7120  
Fax (717) 772-3581  
E-mail: ra-dcedcbf@state.pa.us

These guidelines can also be accessed online at [www.newPA.com](http://www.newPA.com)

# Appendix I – Supplemental Information

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## H2O PA

In addition to completing the Department of Community and Economic Development Single Application for Assistance, please include the following items when applying for a grant under H2O PA:

- Exhibit 1:** Provide an engineering feasibility study conducted by a registered professional engineer that includes the following information: (a) a detailed description of the problem area along with a flood inundation map outlining the extent of the flood area; (b) the number and name of the municipalities that will potentially benefit from the project; (c) a detailed breakdown of the number of structures (homes, businesses, and industrial sites) that have experienced flood damage to include the number of times the structures have been flooded, the type and depth of flooding (basement or first floor), and the amount of damage sustained per flood event; (d) a detailed hydrologic analysis listing the recommended flood discharges for a series of annual events such as the 2-year, 5-year, 10-year, 25-year, 50-year, 100-year, 500-year, and a discussion on which hydrologic methods were considered and why the recommended discharges were selected; (e) an updated cross-sectional survey of the waterway and floodplain; (f) a simulated computer model using the U.S. Army Corps of Engineer's Hydrologic Engineering Center's River Analysis System (HECRAS) verifying the flood inundation limits for a 100-year flood discharge; (g) information on the cost effectiveness, annual maintenance (ease of and cost), and constructability of the project; (h) preliminary construction drawings showing the features of the recommended project; (i) a preliminary rights-of-way acquisition plan showing types and limits of easements needed to construct and maintain the project; and (j) an annotated sketch that shows how the project will impact (change) the flood plain limits shown on the current FEMA Flood Insurance Mapping.
- Exhibit 2:** A detailed construction cost estimate prepared by an engineer or other qualified professional.
- Exhibit 3:** A set of construction drawings showing project details including but not limited to plans, profiles, payment section, structural details, erosion and sedimentation control plan, miscellaneous details, and traffic control plan.
- Exhibit 4:** A complete set of technical specifications addressing each construction item. These specifications, if applicable, should adhere to guidelines specified in the following: PennDOT 408 manual and ACI, ASTM, and AASHTO specifications.
- Exhibit 5:** Copies of land acquisition drawings showing property boundaries and the various property easements (both temporary and permanent) required to construct the project. Include the individual signed easements for each property.
- Exhibit 6:** Proof of all state, federal, and local planning and permit approvals.
- Exhibit 7:** Funding commitment letters from all other project funding sources if applicable (including equity commitments). Letters should include the term, rate, and collateral conditions and must be signed and dated.
- Exhibit 8:** The most recent financial statements of the applicant. Financial statement should include balance sheets, income statements and notes to financials.



- Exhibit 9:** A statement as to the amount of grant funding requested.
- Exhibit 10:** A letter from the appropriate planning agency certifying that the proposed project is in compliance with the comprehensive land use plans.
- Exhibit 11:** For public sector applicants, provide a resolution duly adopted by the applicant's governing board formally requesting the grant, designating an official to execute all documents, describing briefly the project scope, and identifying the grant amount (see Appendix II for a Sample Resolution).
- Exhibit 12:** For all applicants, provide copies of notifications provided to county and municipal governing bodies advising them of the proposed project.
- Exhibit 13:** Construction bid documents showing the project is ready for construction and can be advertised as soon as the necessary funds to construct the project are obtained.

Send 2 copies of completed application with all supplemental information and attachments to:

PA Department of Community and Economic Development  
Center for Business Financing – Site Development Division  
H2O PA Program  
Commonwealth Keystone Building  
400 North Street, 4th Floor  
Harrisburg, PA 17120-0225

If you have any questions on completing the application, please call the Center for Business Financing at (717) 787-7120.

# Appendix II – Authorized Official Resolution

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Be it RESOLVED, that the \_\_\_\_\_ (Name of Applicant) of \_\_\_\_\_ (Name of County) hereby request an H2O PA grant of \$ \_\_\_\_\_ from the Commonwealth Financing Authority to be used for \_\_\_\_\_.

Be it FURTHER RESOLVED, that the Applicant does hereby designate \_\_\_\_\_ (Name and Title) and \_\_\_\_\_ (Name and Title) as the official(s) to execute all documents and agreements between the \_\_\_\_\_ (Name of Applicant) and the Commonwealth Financing Authority to facilitate and assist in obtaining the requested grant.

I, \_\_\_\_\_, duly qualified Secretary of the \_\_\_\_\_ (Name of Applicant), \_\_\_\_\_ (Name of County) \_\_\_\_\_, PA, hereby certify that the forgoing is a true and correct copy of a Resolution duly adopted by a majority vote of the \_\_\_\_\_ (Governing Body) at a regular meeting held \_\_\_\_\_ (Date) and said Resolution has been recorded in the Minutes of the \_\_\_\_\_ (Applicant) and remains in effect as of this date.

IN WITNESS THEREOF, I affix my hand and attach the seal of the \_\_\_\_\_ (Applicant), this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Name of Applicant

\_\_\_\_\_  
County

\_\_\_\_\_  
Secretary