

# H2O PA HIGH HAZARD DAMS AND HIGH HAZARD UNSAFE DAMS

Program Guidelines | September 2019



# 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. Matching Funds .....	2
B. Planning Approvals .....	2
C. Other Requirements .....	2
<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

## Section I – Statement of Purpose

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The H2O PA Dam Program was established under the Act of July 9, 2008 (P.L. 908, No. 63)(32 P.S. §694.101 et. seq.), known as the H2O Pa Act, and authorizes the Commonwealth Financing Authority to provide single-year or multi-year grants to the commonwealth, independent agencies, municipalities, or municipal authorities for High Hazard Unsafe Dams.

## Section II – Eligibility

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### A. Eligible Applicants

Any of the following entities, who own the project, may apply for a grant for High Hazard Dams and High Hazard Unsafe Dams.

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 High Hazard Unsafe Dam projects include those which involve the repair, rehabilitation, or removal of all or part of the High Hazard Unsafe Dam. A High Hazard Unsafe Dam is defined as a dam so located as to endanger populated areas downstream by its failure and is so designated by the Department of Environment Protection (DEP) with deficiencies of such a nature that if not corrected, the deficiencies could cause a failure of the dam with subsequent loss of lives or substantial property damage.

### C. Eligible Use of Funds

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

1. Repair, rehabilitation, or removal of all or part of a High Hazard Unsafe Dam.
2. Installation of security measures.
3. Acquisition of land, rights-of-way, and easements necessary to construct an eligible project.
4. Construction engineering costs. Maximum 10% of grant award.

5. Inspection costs related to the construction of an eligible project.
6. Permit fees.
7. Costs to secure appropriate bonds and insurance.
8. 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 2% of the H2O PA grant and any amount over 2% cannot be included as match for this program.

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

## **Section III – Program Requirements**

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### **A. Matching Fund Requirement**

An eligible applicant shall provide funds of not less than 25% of the amount approved by the Commonwealth Financing Authority (Authority) for a High Hazard Unsafe Dam grant. An eligible applicant that is the commonwealth or an independent agency shall not be required to provide matching funds.

### **B. Planning and Permitting Requirements**

To be eligible, the owner of a High Hazard Unsafe Dam shall:

1. Have obtained written approval of a conceptual plan to repair, rehabilitate, or remove a high hazard unsafe dam from DEP's Division of Dam Safety to meet requirements under the act of November 26, 1978 (P.L.1375, No.325), known as the Dam Safety and Encroachments Act.
2. Have in place an emergency action plan as required by section 5 (a) (4) of the Dam Safety and Encroachments Act and distribute the plan to affected county and municipal emergency management officials.
3. Comply with all inspection requirements and submit inspection reports to DEP as required by law.

### **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, if applicable, certifies to the Authority that the applicant and project user, if applicable, shall not discriminate against any employee or against any person seeking employment by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the Pennsylvania Human Relations Act, which prohibits discrimination on the basis of race, color, religious creed, ancestry, age, sex, national origin, handicap or disability, or in violation of any applicable federal laws. All contracts for work to be paid with grant funds 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. **Certification of Expenses**  
The applicant shall sign a payment request form certifying that the expenses were incurred and were in accordance with the scope of work approved by the CFA. In lieu of a formal project audit and prior to final closeout of the grant agreement, the applicant shall be required to submit copies of all canceled checks verifying the expenditure of the H2O PA proceeds. Bank statements may also be submitted if electronic payment of the expenditure occurred.
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 guideline provisions may be modified or waived by the Authority unless otherwise required by law.

## Section IV – Grants

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1. Individual grants may not exceed \$20,000,000 per project.
2. Grants shall be awarded to eligible applicants for projects with a total cost of \$500,000 or more.
3. No more than \$20,000,000 may be awarded to an eligible applicant that is the commonwealth or an Independent Agency.
4. Multi-year grants may not be given for a period of more than six (6) years.



5. 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.
6. Commencement of work prior to receiving the Authority's approval will result in the project being ineligible for funding consideration.
7. 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). Required supplemental information outlined in Appendix I of these guidelines must be attached electronically to the application as directed on the Addenda tab. For technical inquiries regarding the submission of the on-line application, contact the Customer Service Center at (800) 379-7448 or (717) 787-3405. Once submitted, please print two (2) copies of the application, including the required supplemental information, and mail to:

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

Please reference the application 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 based on the following criteria:

1. The level of hazard posed by the dam.

The level of hazard for dams considered for funding will be based on the use of a Dam Safety Risk Prioritization Tool. This prioritization tool looks at not only the potential for a given dam to fail due to its condition and existing spillway capacity, but also analyzes the loss of life potential based upon the proximity of the downstream population to the dam structure.

2. Whether the proposed project represents the most cost-effective way to address the hazard.

This will be evaluated by reviewing an alternatives analysis including the estimated cost of each alternative. These costs can be compared with actual costs previously incurred for similar work, the cost or pricing data received from other vendors, and independent cost estimate breakdowns.

3. Whether the project will have a positive impact on tourism.
4. Whether an approved Emergency Action Plan has been completed for the dam.

An Emergency Action Plan, in a form approved by the Department of Environmental Protection and the Pennsylvania Emergency Management Agency, must be completed by the dam owner.

5. Whether the dam has been inspected annually by a registered professional engineer for the past five years.

Owners of high-hazard dams are required to have their dams inspected by a registered professional engineer on an annual basis and provide the Department of Environmental Protection two copies of the report prior to December 31 of each year.

6. Whether the project involves water supply and the importance of this dam on the overall water supply system.

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

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Upon approval of an application by the CFA, a grant agreement and commitment letter will be electronically issued to the applicant explaining the terms and conditions of the grant. The Grantee must provide the names, titles and e-mail addresses for two authorized individuals to receive and electronically sign the grant agreement. The grant agreement must be electronically signed and returned to the CFA within 45 days of the date of the commitment letter or the offer may be withdrawn by the CFA.

## **Section VIII – Program Inquiries**

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Program inquiries should be directed to:

PA Department of Community and Economic Development  
Site Development Office – H2O PA Program  
Commonwealth Keystone Building  
400 North Street, 4th Floor  
Harrisburg, PA 17120-0225  
Telephone: (717) 787-6245  
Fax (717) 772-3581  
E-mail: [ra-dcedsitedvpt@pa.gov](mailto:ra-dcedsitedvpt@pa.gov)

These guidelines can also be accessed online at [dced.pa.gov](http://dced.pa.gov)

## 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: Project Description**

Provide a description of the project which discusses all of the following: (a) the specific location of the project area; (b) the work to be completed; (c) the estimated start and end dates of the project; (d) the number and name of the municipalities that will potentially benefit from the project; (e) the level of hazard posed by the dam; and (f) how the project promotes the most efficient management of water resources and protects the health and safety of the citizens of the commonwealth.

**Exhibit 2: Cost Estimate**

A statement as to the estimated cost of the project. The estimate must be prepared by an engineer or other qualified professional and should be accompanied where appropriate by copies of the signed bid/quotations, contractor estimates, or sales agreements that verify project cost estimates.

**Exhibit 3: Alternative Analysis**

An alternative analysis complete with an estimated cost of each alternative. The cost elements examined should include, but not be limited to, design, materials, labor, equipment, and inspection.

**Exhibit 4: Impact on Water Supply**

Information about the impact of this project on water supply. The information should include the percentage of water in the system that comes from this source; information on interconnections with other water suppliers including the percentage of the average daily demand that can be provided by these suppliers; and any other pertinent information such as major industrial users or entire communities dependent on only this source for water supply.

**Exhibit 5: Matching Funds Commitment**

Provide funding commitment letters from all other project funding sources (including equity commitments).

- Funding commitments or term sheets provided by lending institutions must include the term, rate, and collateral conditions, and must be signed and dated.
- Funding commitments of equity from the applicant or private third party must be signed and dated (indicating the amount of funds being committed) and be accompanied by documentation (such as audited financial statements) showing the ability to commit such funds.

**Exhibit 6: Color-Coded Map**

A color-coded map detailing the location of the project and any improvements.

**Exhibit 7: Public Usage**

A description of the current level of public usage of the facility, if the project will increase the usage of the facility, and the distances from the site to similar facilities. Using this information, the applicant must state the impact of the proposed project on tourism.



**Exhibit 8: Resolution**

For applicants which are not the commonwealth, 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 9: Permits**

A copy of all applicable Department of Environmental Protection conceptual plan and permit approvals.

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

PA Department of Community and Economic Development  
Site Development Office – 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) 787-6245.

## 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