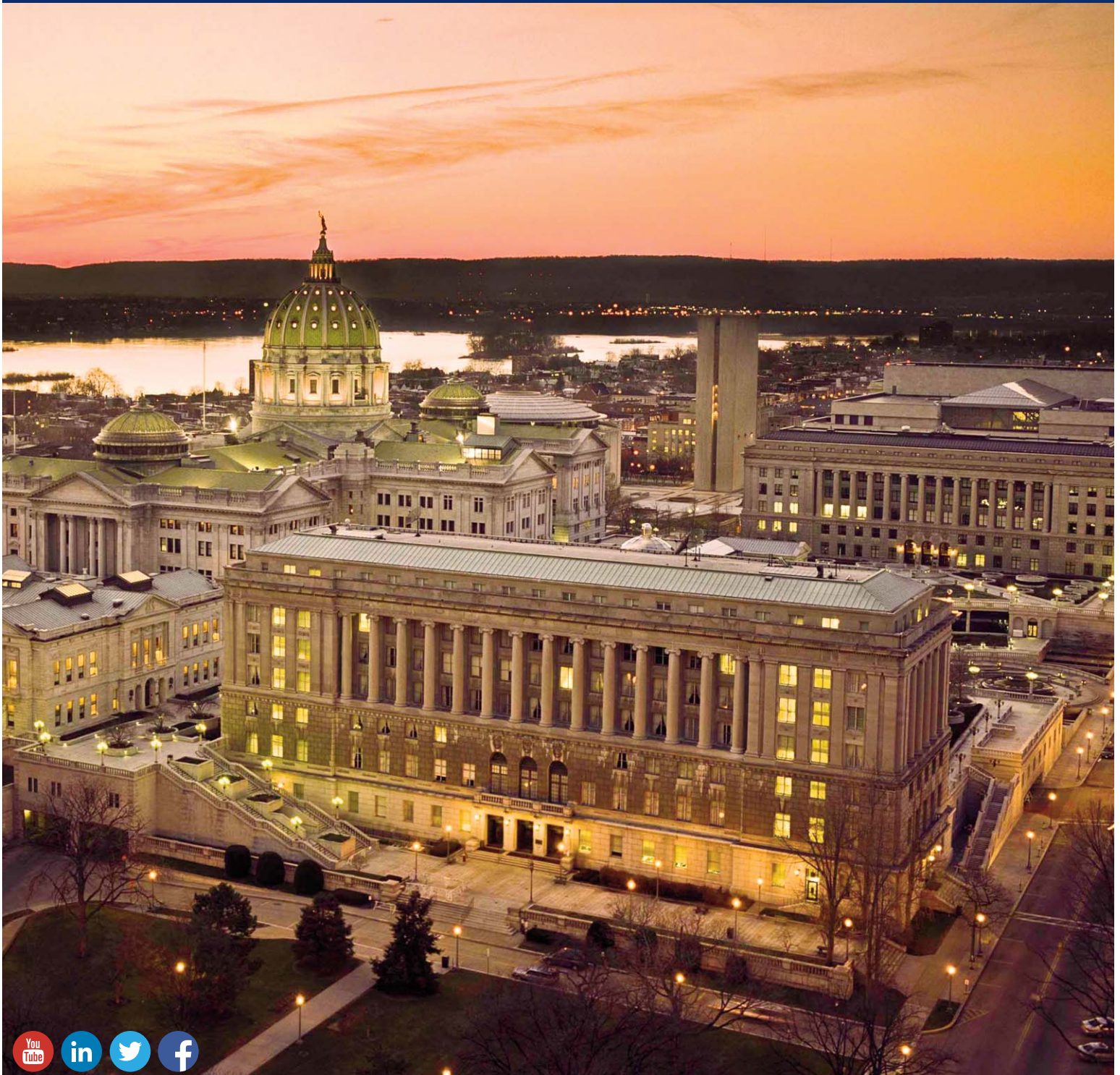


# PA SMALL WATER AND SEWER

SMALL PROJECTS TO IMPROVE PUBLIC WATER SUPPLY AND SANITARY SEWER SYSTEMS

Program Guidelines | November 2017



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## Section I – Statement of Purpose

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Pursuant to Article XVII-A , § 1774.1-A, of the Act of April 9, 1929, P.L. 343, as amended (The Fiscal Code) the sum of \$25,000,000 was made available to the Commonwealth Financing Authority (the “Authority”) for water and sewer and projects with a cost of not less than \$30,000 and not more than \$500,000.

## Section II – Eligibility

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### A. Eligible Applicants

Any of the following entities who will own the proposed project are eligible to apply for a grant.

1. **A Municipality** includes any city, township, borough, town, county, or home rule
2. **A Municipal Authority** includes any authority created by a municipality pursuant to the act known as the "Municipal Authorities Act"

### B. Eligible Projects

Eligible projects are those which have a total project cost of not less than \$30,000 and not more than \$500,000 and involve the construction, improvement, expansion, repair, or rehabilitation of a water supply or sanitary sewer system which is owned and maintained by an eligible applicant. An eligible project also includes consolidation or regionalization of two or more water supply systems or sanitary sewer systems which are managed or operated as an integrated system regardless of whether the system is physically connected.

### C. Eligible Use of Funds

Funds may be used by the applicant to pay for any of the following project costs:

1. Construction, improvement, expansion, repair, or rehabilitation of a water supply system or sanitary sewer system.
2. Installation of security measures.
3. Acquisition of land, rights-of-way and easements necessary to construct an eligible project.
4. Purchase and installation of fixed equipment.
5. Engineering and design costs not to exceed 10% of the grant amount.
6. Inspection costs related to the construction of an eligible project.
7. Permit Fees.
8. Costs to secure appropriate bonds and insurance.
9. Administrative costs of the applicant that are necessary to administer the grant. Administrative costs include advertising and, legal costs as well as documented staff expenses. Administrative costs shall not exceed 2% of the grant and any amount over 2% cannot be included as match for this program.
10. Project contingencies associated with construction costs are limited to 5% of the eligible construction costs. No other contingencies shall be included as eligible project costs.

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, tap in fees, and costs incurred prior to approval.



## **Section III – Program Requirements**

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

An eligible applicant shall provide matching funds of not less than 15% of the total eligible project cost. The cash match may come from any other source including PENNVEST.

### **B. Planning Approvals**

All recipients of funding are required to demonstrate in the application that the project is in compliance with regional, county and local comprehensive plans as evidenced by a letter from the appropriate local planning agency. If inconsistencies between plans exist, preference will be given to the approved county-level plans.

### **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, certify 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 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. 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 PA Small Water and Sewer Program proceeds. Bank statements may also be submitted if electronic payment of the expenditure occurred.

**6. Bidding Requirements**

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

**7. Guideline Provisions**

The PA Small Water and Sewer Program guidelines provisions may be modified or waived by the Authority unless otherwise required by law.

**D. Fees**

The Authority charges a \$100 non-refundable application fee for applications. Application fee is due at the time of submission and shall be made payable to the Commonwealth Financing Authority.

## **Section IV – Grants**

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1. Grants are available for projects with a total cost of not less than \$30,000 and not more than \$500,000.
2. 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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1. To apply for funding, the applicant must submit the electronic on line DCED 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 one (1) copy of the application, and send with the required supplemental information, and mail to:

PA Department of Community and Economic Development  
CFA Programs Division  
PA Small Water & Sewer 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.

2. Applications will be accepted between November 15, 2017 and February 28, 2018. All applications and required supplemental information must be electronically submitted by the close of business on February 28, 2018.

## **Section VI – Application Evaluation**

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All applications for financial assistance will be reviewed by the Authority to determine eligibility and competitiveness of the proposed project using the following criteria:

1. Project readiness.
2. Project is consistent with all local, state and regional comprehensive, regional resource management or economic development plans.
3. The cost-effectiveness of the proposed project when compared to other alternatives.
4. Whether the construction or repair [or consolidation] of a water or sewer project will enable customers of the system or regional system to be more efficiently served.
5. Whether the project serves existing populations or whether the project is intended to serve new development.
6. Whether the project will result in a substantiated positive economic development impact as evidenced by job creation and private investment.
7. The ability of the applicant to secure funding for the project.
8. The proactive implementation of practices to promote sustainability of the system such as asset management, water conservation, energy efficiency, and the use of nonstructural alternatives to minimize the amount of storm water that infiltrates into a system.

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

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Following approval of an application by the Authority, a commitment letter will be issued 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 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 & Economic Development  
CFA Programs Division  
PA Small Water and Sewer 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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### PA Small Water and Sewer Program

In addition to completing the Department's Single Application for Assistance, please include the following items when applying for a grant under the PA Small Water and Sewer Program:

- Exhibit 1:** Provide a description of the project which discusses all of the following: (a) a detailed project description; (b) the specific location of the project area; (c) whether the project is consistent with an existing county or local comprehensive plan; (d) whether the project will result in a substantiated positive economic development impact; (e) the historical and proposed use of land served by the project; (f) the estimated start and end dates of construction; (g) the names of the municipalities that will potentially benefit from the project; (h) how the project promotes the most efficient management of water resources and protects the health and safety of the citizens of the commonwealth; (i) the sound management practices implemented by the applicant in the past five years to enhance the long-term sustainability of the system including but not limited to energy efficiency improvements, water conservation, full cost pricing, asset management, and the installation of non-structural alternatives to minimize the amount of storm water that infiltrates the system; (j) whether the project serves existing populations or new development.
- Exhibit 2:** A letter stating the project will be owned and maintained by an eligible applicant.
- Exhibit 3:** A detailed estimate for the total project cost. The estimate must be prepared, signed, and dated by an engineer or other qualified professional and should be accompanied where appropriate by copies of the signed bid/quotations, contractor estimates, sales agreements or other documentation that verify project cost estimates.
- Exhibit 4:** Funding commitment letters for the required match, if available from all other project funding sources. Letters should include the term, rate, and collateral conditions and must be signed and dated. If the required match will be coming from the applicants own funds, please include a signed letter indicating such by an official of the organization.
- Exhibit 5:** A color-coded map detailing the location of the infrastructure or where the project will be conducted.
- Exhibit 6:** The most recent audited financial statements of the applicant. Financial statement should include balance sheets, income statements and notes to financials.
- Exhibit 7:** A letter from the appropriate planning agency certifying that the proposed project is in compliance with the comprehensive land use plans.
- Exhibit 8:** 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:** A list of all Local, State and Federal planning approvals and permits from the appropriate agencies.

Send one copy of completed application with all supplemental information and attachments to:

PA Department of Community and Economic Development  
CFA Programs Division  
PA Small Water and Sewer 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 CFA Programs Division 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 PA Small Water and Sewer Program 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