



Memo

To: All House Members
From: Representative Mario Scavello
Date: 9/30/2011
Re: Dam Infrastructure Funding

I will be introducing new legislation that provides a total of \$500 million to remove, repair, or restore dams with priority given to high hazard unsafe dams necessary for drinking water systems or other high hazard unsafe dams or deficient high hazard dams or impoundments. Of this total, \$225 million would be available in grants for state-owned dams and \$275 million would be available to create a revolving loan fund to provide loans to private owners with local government units as co-applicants or local governments who own dams. Loans made would bear interest of 2% per year or less for a term of 20 years. New Jersey has had a similar revolving loan program for the last 10 years and it has facilitated many dam rehabilitations.

The grant and loan program would be implemented by the Pennsylvania Infrastructure Investment Authority. The Department of Environmental Protection would provide assistance in developing grant and loan applications, eligibility criteria, requirements and criteria for the review of the applications; reviewing the applications; and notifying dam owners and governments of the availability of grants and loans.

The electorate would vote on incurring indebtedness of \$500 million for the purpose of providing grants and loans for projects to remove, restore, or repair dams. The legislation establishes the Dam Project Bond Fund as the source from which all payments are authorized to carry out the Act and establishes the Dam Project Bond Sinking Fund for the payment of interest.

There are approximately 3,300 regulated dams in Pennsylvania including nearly 800 high hazard dams whose failure could cause loss of life. The public depends on dams for drinking water, flood protection, power generation, navigation, irrigation, coal waste disposal, and recreation. Pennsylvania's dam infrastructure is aging and many dams are in need of costly repairs to protect the lives and property of those downstream. In the next 5 years, the Commonwealth's Dam Safety Program has estimated that it will cost nearly \$1.3 billion to

repair over 480 deficient or projected deficient high hazard dams. The cost estimate to repair all deficient or projected deficient high hazard and non-high hazard dams is \$1.4 billion. The H2O PA Act provided approximately \$50 million to repair or remove high hazard unsafe dams but this only addressed a small portion of the dam rehabilitation funding need and only included government owned dams.

An additional benefit that will result from this legislation is that money will aid in Pennsylvania's economic stimulation that is so direly need at this time.

In the past, this new type of legislation has been endorsed by the Association of State Dam Safety Officials.

If you would like to join me as a co-sponsor of this legislation, please contact Kendra Snuffer at (717) 787-7732 or ksnuffer@pahousegop.com.