

PA DEP says:  
**Penn Lake Dam UNSAFE**

**Penn Lake Dam Project  
Questions and Answers**  
(Published July, 2020)

**Q. What does the Pennsylvania Department of Environmental Protection’s designation of our dam as “unsafe” mean? Is the dam about to collapse?**

A. **NO.** The DEP designation does not mean that the dam is at risk for imminent failure. But, it is severely deficient in meeting the requirements of the Pennsylvania Dam Safety and Encroachments Act. The main concerns are a significant seepage of water through the dam and that the current spillway does not allow a sufficient amount of water to safely drain from the lake when the water level rises from a hard rain.

**Q. What do the dam experts recommend to make our dam safe again and meet the DEP’s requirements?**

A. The Borough contracted with Borton-Lawson Engineering to provide a comprehensive assessment of the dam and to recommend repair alternatives and estimates of probable costs. They provided alternatives that range from repairs necessary to address DEP identified issues, (which may need to be repeated in the future and which may require draining the lake while repairs are underway) to a concrete replacement dam (which will last until our grandchildren’s children are enjoying the lake and will not require draining the lake.)

**Q. Who makes the final decision regarding the repairs – the Borough, the experts or the DEP?**

A. The experts will provide their recommendations to the Borough. Based on those recommendations, the Borough will submit its plan to address the identified concerns to DEP. However, the DEP will make the final decision as to whether the Borough’s plan is satisfactory and what must be done to address the identified problems.

**Q. What if the Borough doesn’t do what the DEP decides is necessary?**

A. The DEP has a track record of draining lakes it has deemed to be unsafe. *Losing the lake is not an option. It is the heart of our community. None of us can afford to lose it.*

**Q. How much are the repairs likely to cost?**

A. The final cost will depend on what DEP requires the Borough to do. Preliminary estimates for necessary repairs range from \$2.5 million to \$3 million. Completely replacing the dam is estimated to cost around \$8 million.

**Q. How is the Borough going to pay for it?**

A. The Borough is looking at various funding options, including loans and pursuing grant money. While the loan terms are not yet finalized, the Borough is exploring 20 to 40 year loans and is still searching for the best interest rates. Fortunately, interest rates are currently low, around 3%. If the DEP determines that the dam must be replaced, a longer term loan will be considered to keep the monthly tax increase as reasonable as possible. Whatever the final terms of the loan will be, the Borough will need a tax increase to make the loan payments. A referendum authorizing the tax increase will be included on the November ballot.

**Q. How much of a tax increase is there likely to be?**

A. The current millage for Penn Lake Borough is .6%, which is very low. Assuming the repairs will be between \$2.5 and \$3 million, the millage rate will likely rise to around 4%. This is in line with many other Luzerne County communities such as Plymouth Borough (6.72), Pittston City (6.85) and Freeland (4.2) — none of which have a beautiful lake.

**Q. So how much more am I likely to have to pay?**

A. It depends on the assessed value of your home. Based on 2018 tax information, the average property at Penn Lake is assessed at approximately \$200,000. The additional tax on a property assessed at \$200,000 would be about \$758 per year or \$63 month.

**Q. My house is not right on the lake so it doesn't seem right that I have to pay the same rate as someone whose home is lakeside.**

A. Generally, Lakeside properties are assessed higher than those not on the lake. Because the tax paid is based on the assessed value of the property, this helps assure that everyone is paying their fair share. And, even those who do not live right on the lake enjoy and benefit from it.

**Q. Haven't we been down this path before? We remember the DEP saying our dam had deficiencies years ago. We didn't need a tax increase then. What is different this time?**

A. You are correct. This is not the first time the DEP has notified us of deficiencies. The Borough was notified by the DEP in 2002 that there were problems with the dam that needed to be corrected. While the lake was drained in 2006 and the main valve was repaired, other deficiencies were not addressed. The DEP has designated Penn Lake as a high hazard dam because there are 25 structures and 90 people downstream from our dam. The DEP has indicated that it will require the Borough, as owners of the dam, to sign a consent agreement. That consent agreement will require the Borough to address the deficiencies. There is no kicking the can down the road this time.

**Q. What happens if the referendum authorizing the tax increase is not passed in November?**

A. *Failure to pass the referendum could result in the permanent draining of the lake. In addition to the loss of the lake, the Borough would be required to clean up the previous lake site. That kind of clean up is estimated to cost between \$500,000 and \$2 million, which would likely require a flat fee special assessment on all residents. This is NOT an option.*