



west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street, SE
Charleston, WV 25304
Phone: 304-926-0495 / Fax: 304-926-0463

Harold D. Ward, Cabinet Secretary
dep.wv.gov

MEMORANDUM

To: Marie Prezioso, Chair
Meredith J. Vance, Director, Environmental Engineering Division, BPH

From: Katheryn Emery, P.E. Engineering Chief
Sewer Technical Review Committee

Date: March 18, 2024

Subject: Boone County Public Service District (BCPSD)
Preliminary Application: IJDC No. 2024W-2517
Whitehouse Rd CN

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1. This committee has reviewed the preliminary application and engineering report submitted for the above referenced project in accordance with Chapter 31, Article 15A. It has been determined that the proposed project is:
 - a. Consistent with the intent of the Infrastructure and Jobs Development Act and is the most cost-effective, environmentally sound alternative for solving the wastewater needs in this area.
 - b. Not consistent with the Act and may not be the most cost effective, environmentally sound alternative for solving the wastewater needs in this area.
 - c. Same as (a) above except that certain issues need to be addressed prior to design and construction as the attached comments indicate.
 2. Our recommendation is that:
 - a. The Funding Committee needs to review the proposed sources of funding to determine the best mix of grant and/or loan funds in accordance with applicable guidelines.
 - b. The Funding Committee should recommend that the Council approve the proposed project and its funding plan.

- c. ___ The Funding Committee does not need to review the funding assumptions on this project because of deficiencies in the engineering report. The proposed project should be tabled for the consultant to address technical comments.
- d. ___ This project should be referred to the Consolidation Committee.

3. Other remarks:

This project will extend service to 7 new customers of White House Road, Holstein Road, and Stewart Road. Five residents have signed user agreements. In addition, the WVDOH has signed a user agreement recognizing their desire to connect to a new service setting location, meaning a total of six user agreements have been signed.

The proposed total cost for this project is \$1,450,000 and the BCPSD intends to pursue a \$1,429,485 IJDC Critical Needs Grant, and \$30,515 WV AWC Contribution..

Using the Combined Application, the Engineering Fees appear to be within the ASCE curve.

The 5G documentation provided is 15 years old and refers to a Cameo/Woodville Waterline Extension and other waterline extension areas.

Preliminary Project Ratings:

Public Health Benefits: 20
Compliance with Standards: 0



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MEMORANDUM

TO: Katheryn Emery, P.E., Engineer Chief, DWWM

FROM: Dominique Madison, DWWM

DATE: March 6, 2024

SUBJECT: Boone County Public Service District (BCPSD)
Preliminary Application: IJDC No. 2024W-2517
Whitehouse Rd CN

RECOMMENDATION

The IJDC Application and Preliminary Engineering Report prepared by Potesta Inc. for the above referenced project has been reviewed and is technically feasible.

PROJECT DESCRIPTION

The Boone County Public Service District (BCPSD) and West Virginia American Water (WVAW) operate in a public/private partnership whereupon BCPSD constructs line extensions and WVAW operates and maintains the system. The WTP has a capacity of 50 million gallons per day (GPD), which serves 168,581 customers and is owned by WVAW. The Public Water System Identification number is (PWSID#) 3302106.

This project will extend service to 7 new customers of White House Road, Holstein Road, and Stewart Road. The proposed water line extension will involve the installation of an 8-inch and 6-inch diameter water line. Project will add six residential customers and one commercial customer.

The proposed total cost for this project is \$1,450,000 and the BCPSD intends to pursue a \$1,429,485.00 IJDC Critical Needs Grant, and \$30,515 WV AWC Contribution. The anticipated monthly rate for 3,400 gallons will be \$71.10.

NEED FOR PROJECT

The project will also further develop an approximately 9.28-acre flat parcel lying along Hopkins Road (County Route 3/41) owned by a community college. Construction of this water line extension would provide a safe and reliable water source to existing businesses and residents in the project area, as well as proposed and potential residential developments. The availability of a public drinking water supply will eliminate private water supplies such as wells with potential microbial and inorganic contaminants.

DEFICIENCIES/COMMENTS

- The funding scenario doesn't match between PER and application. The PER was used.
- Using the Combined Application, the Engineering Fees appear to be within the ASCE curve.

Preliminary Project Ratings:

Public Health Benefits: 20

Compliance with Standards: 0

*Public Service Commission
Of West Virginia*

201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323



Phone: (304) 340-0300
FAX: (304) 340-0325

March 14, 2024

Meredith J. Vance
Office of Environmental Health Services
350 Capitol Street, Room 313
Charleston, West Virginia 25301-3713

Re: Public Service Commission Staff Review Comments
Application No. 2024W-2517
Boone County PSD Line Extension
Infrastructure Preliminary Application

Dear Ms. Vance:

As requested, the Technical Staff of the Public Service Commission of West Virginia has completed its review of the above-referenced Infrastructure application. In light of Technical Staff's comments enclosed herewith, we are recommending the application be:

- forwarded to the Funding Committee
 forwarded to the Consolidation Committee
 returned to the Applicant

Please advise if you have any questions.

Sincerely,

Jonathan M Fowler

Jonathan M. Fowler, P.E.
Engineering Division

JMF:vb

**PUBLIC SERVICE COMMISSION STAFF
TECHNICAL REVIEW**

DATE: March 12, 2024

PROJECT SPONSOR: BOONE COUNTY PUBLIC SERVICE DISTRICT
(WATER)

PROJECT SUMMARY: To serve residents of White House Road, Holstein Road and Stewart Road with Water Service. Critical Needs Application

PROPOSED FUNDING: WVAWC Contribution	\$ 30,515
IJDC Critical Needs Grant	<u>\$1,429,485</u>
Total	\$1,460,000

CURRENT/ PROPOSED RATES:	\$71.10	3,400 gallons
	\$81.37	4,000 gallons

Application No. 2024W-2517

RECOMMENDATION: x forward to the Funding Committee.
 forward to the Consolidation Committee.
 return to the Applicant.

FINANCIAL: Stephen Edens

1. Current rates (\$71.10 for 3,400 gallons) are above the rates attributable to 1.25% (\$44.92), 1.5% (\$53.91) and 1.75% (\$62.89) of the Median Household Income (MHI) for the Town of Danville (See Comment # 2F), but below the rates attributable to 2.0% (\$71.88) of the MHI.
2. Notes to Comments:
 - A. Since the Applicant's rates and the operation and maintenance costs are "rolled into" the operations of the West Virginia-American Water Company (WVAWC), no cash flow is attached. The current rates apply to many customers over large geographical areas who share the aggregated revenue requirements of the WVAWC. The Boone County Public Service District (BCPSD) contracts with WVAWC for the operation of the water distribution facilities and customer services; BCPSD does not operate any water facilities.

- B. WVAWC's contribution per customer, under the Commission's main extension rule, is approximately \$6,153. This assumes there are no further costs incurred on the extension. In this application, the Applicant proposes that WVAWC contribute \$30,515 ($\$6,103 \times 5$ projected customers) toward the project which is based on approximately 75% of 7 potential customers. If the WVAWC contribution is based upon \$6,153 per potential customer, then they would provide \$43,071 ($\$6,153 \times 7$ new customers). The difference between the proposed contribution of \$30,515 and the 7.5 calculated contribution of \$43,071 is \$12,556. An agreement with WVAWC detailing the amount and terms of their contribution should be filed with the Commission along with any CN filing made in this matter, if applicable.
- C. On April 7, 2014, the Commission issued an order in Case No. 11-1451-W-C (involving public/private partnerships) which ordered that WVAWC, among other items, has an obligation to contribute the amount required by Water Rule 5.5 (now Water Rule 7.5) toward a proposed project as modified by substituting the current Company average usage into the formula.
- D. Staff notes that the project sponsor requested a Draft Rule 42 Exhibit waiver.
- E. Staff notes that the preliminary application lists \$1,450,000 for the total project budget and \$1,460,000 in total project funding.
- F. The project sponsor used the MHI for the Town of Danville of \$43,125 from the 2020 U.S. Census in its application. If the MHI of \$45,297 for Boone County is used, current rates (\$71.10 for 3,400 gallons) would be above 1.25% (\$47.18), 1.5% (\$56.62), and 1.75% (\$66.06) of the MHI, but below 2.0% (\$75.50) of the MHI. Staff also notes that the current rates (\$71.10 for 3,400 gallons) includes the current Distribution System Improvement Charge (DSIC) Rate that is applied to the meter charge for WVAWC.
- G. It should be noted that the tariff on file with the PSC, for the Boone County Public Service District, hasn't been updated to reflect the increase in rates associated with Case No. 21-0369-W-42T.

H. On February 23, 2024, the Commission approved, in Case No. 23-0383-W-42T, a rate increase for WVAW. WVAW will be filing its revised tariff schedules in the near future. At that time, the tariff for Boone County Public Service District will also need to be updated to reflect the increase in rates associated with Case No. 23-0383-W-42T.

ENGINEERING: Brandon Crace

1. This project may not require a Certificate of Convenience and Necessity from the PSC. The project sponsor should consult with Commission Staff pursuant to the requirements of General Order No. 246 for such determination. Should a Certificate be required, the sponsor should reference this application number on the PSC's Form No. 4 when its application is filed at the Commission given the requirement of West Virginia Code §24-2-11 (c) and (e) et seq. Staff notes that an affirmative determination of need for the project must be established in a Certificate filing at the PSC.
2. Scope: The Boone County PSD, in cooperation with West Virginia American Water (a public-private partnership), is proposing to extend water service to 7 potential water customers along Holstein Road, White House Branch Road, and Stewart Roads. The proposed project scope includes: 80 LF of 8-inch DIP, 600 LF of 6-inch DIP, 1700 LF of 8-inch PVC, 400 LF of 6-inch PVC, 1600 LF of 2-inch PVC, 1250 LF of restrained joint 2-inch PVC, three (3) 8-inch gate valves, two (2) 6-inch gate valves, five (5) 2-inch gate valves, 3 fire hydrants, 3 connections to existing waterlines, 42 thrust blocks, 120 LF of 16-inch steel casing (bore & jack), 610 LF of 12-inch steel casing (bore & jack), 30 LF of 12-inch steel casing (open cut), 40 LF of 12-inch utility casing (open cut), 70 LF of 6-inch steel casing, 55 LF of 4-inch steel casing, three (3) 2-inch tie-ins, 3190 LF of WVDOH shoulder stone, 16 LF of WVDOH Type A trench repair, 80 LF of concrete driveway repair, 85 LF of asphalt driveway repair, 130 LF of stone driveway repair, 4 blow-off assemblies, 2 air release valves, one (1) 2-inch meter setting, six (6) 3/4-inch service settings, 200 LF of 3/4-inch service line, 30 LF of 3/4-inch road crossing, 4 concrete anchors, and all necessary appurtenances. The estimated construction cost is \$1,123,000 (includes 14.98% construction contingency), and the estimated total project cost is \$1,450,000 (includes 13.54% project contingency).

Need: The PER indicates that extending public drinking water will eliminate private water wells with potential microbial and inorganic contaminants. The PER includes 5 signed user agreements.

Customer Density: Based upon the provided water main pipe quantities (5,630 LF), the proposed water line extensions total approximately 1.07 mile. This is approximately equivalent to 6 customers per mile.

Cost per Customer: Based upon the estimated total project cost of \$1,450,000, and proposing to have 7 new customers, the cost to serve each new customer is \$207,143, which is considered high. However, the proposed project is 100% grant and contribution funded; therefore, the proposed borrowing is \$0.

3. Project Feasibility: The project appears to be technically feasible and poses little technical risk.
4. Project Alternatives: The PER did not include an evaluation of alternatives. However, a do-nothing option would continue to require residents to utilize their private wells.
5. Consolidation: There are no consolidation opportunities presented by this project.
6. Operation and Maintenance (O&M) Expenses: The PER states that WVAWC will be responsible for all O&M costs. The PER did not include supporting calculations or a detailed discussion of changes to O&M. However, it can be assumed that WVAWC O&M costs will increase marginally due to the addition of waterline, fire hydrants, valves, and increased water treatment demand. This small increase will be spread over a very large customer base and will have no appreciable impact on user rates.
7. Engineering Agreement: The application includes information to determine compliance with West Virginia Code §5G-1-1, et seq. The 5G documentation provided is dated 2008. Total technical services (engineering) costs for the project are \$213,000, which is equal to 18.97% of the construction cost of \$1,123,000 (includes 14.98% construction contingency).
8. Deficiencies/Comments:
 - The 5G documentation provided is 15 years old and refers to a Cameo/Woodville Waterline Extension and other waterline extension areas.
 - The cost to serve each new customer is \$207,143, which is considered high.
 - Customer count should be verified.



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MEMORANDUM

MEMO TO: Meredith J. Vance
Office of Environmental Health Services
Bureau for Public Health

FROM: Brian D. Bailey *BB*
Technical Analyst
General Permits & Support Team

DATE: February 29, 2024

SUBJECT: Infrastructure Preliminary Application for the Boone County PSD: White House Rd/Stewart Rd Waterline Ext. in Boone County, WV. (2024W-2517)

We have reviewed the above referenced project application information. The Boone County PSD purchases water from the WV American Water. No NPDES permit modifications are necessary.

If the Boone County PSD is considering repairing and painting an existing water treatment plant or storage tanks, then the scope of this project requires precautions to prevent contamination of the waters of the state. Prior to beginning any removal of old paint, the Boone County PSD should contact Mr. Brad Wright or a member of his staff at (304)-926-0499, extension 49746 for guidance in determining whether the paint to be removed is considered a hazardous waste. If so, proper containment and disposal procedures must be followed for the paint and any material associated with the sandblasting. If it is determined that the paint is not hazardous, the Boone County PSD should contact John Lockhart or a member of his staff at (304)-926-0499, extension 43889 for proper disposal options.

Construction activities with a disturbed area of one (1) acre or greater are now required to register for the NPDES Storm Water Construction General Permit No. WV0115924 that became

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effective on March 9, 2019. Projects registered under the previous General Permit No. WV0115100 were automatically provided coverage under WV/NPDES General Permit No. WV0115924. For more information, they may contact Larry Board at (304)-926-0499, extension 43883.

In light of the above, we have no objection to this project as long as the appropriate provisions are taken to assure compliance with Chapter 22, Article 11, of the Code of West Virginia and any associated regulations. The responsible party may contact Mylinda Maddox (304) 926-0499 ext. 43825, should additional information be required.

BDB:mam

cc: Kathryn Emery