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west virginia department of environmental protection

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Division of Water and Waste Management  
601 57<sup>th</sup> 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  
Funding Committee  
Infrastructure and Jobs Development Council

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

**Date:** June 22, 2023

**Subject:** Central Hampshire Public Service District  
Preliminary Application: IJDC No. 2023S-2340  
Wastewater System Improvements

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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.

Promoting a healthy environment.

- 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 funding should be tabled until technical comments have been resolved.
- d.  This project should be referred to the Consolidation Committee.

3. Other remarks:

This project will decommission the Harvest Hills WWTP, upgrade the Frenchburg WWTP, and rehabilitate existing manholes and lift stations. The Frenchburg WWTP received a notice of violation for 11 effluent violations. This project will address these issues and take the Harvest Hills flow after decommission. However, the PSD still has issues with wet weather flow and there is really no mention of how this issue will be addressed. Upon reading all of the information provided by the TRC members, the Town of Romney, and the PSD, several concerns came to light and I believe need to be addressed during the Consolidation Committee process.

- This project does not reference any project to address wet weather flow issues. Currently, it seems that the only option is to send the extraneous flows to Romney for treatment, but the PSD, by its own admission, has purposely reduced flows to Romney because of cost concerns.
  - If the PSD is already reducing flows its sending to Romney and has proposed no work on their system to reduce wet weather flows, how will these flows be treated?
- The PSD asserts that the bulk sewer rate charged by Romney has increased by 2600% in 14 years. What has caused such a staggering increase and can Romney document that the PSD is not subsidizing the Town's sewer system?

It seems that with the proximity of these two utilities to each other that they both should be able to benefit from at least a consolidation of resources. Wet weather flows must be addressed by both parties and in regards to this project, Central Hampshire PSD needs to provide an answer to how they are addressing the wet weather flow issue and the Town needs to document the skyrocketing increase in the bulk sewer rate.



STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Bureau for Public Health  
Office of Environmental Health Service

Jeffrey H. Coben, MD  
Interim Cabinet Secretary

Matthew Q. Christiansen, MD, MPH  
Commissioner & State Health Officer

**MEMORANDUM**

**TO:** Jason Billups, P.E.  
DEP/Infrastructure Sewer Technical Review Committee

**FROM:** William S. Herold, Jr., P.E., Assistant Manager  
I/CD/Environmental Engineering Division

**DATE:** June 12, 2023

**SUBJECT:** Central Hampshire PSD  
Preliminary Application    **Project No.: 2023S-2340**  
WWTP Upgrade  
Hampshire County

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**RECOMMENDATION:**

We have reviewed this preliminary application and recommend it be forwarded to the Funding Committee for review.

**PROJECT SCOPE:**

This preliminary application is to make improvements to the Central Hampshire PSD's Harvest Hills WWTP area, Frenchburg WWTP area and other Central Hampshire service areas. Major improvement will be the decommissioning of the Harvest Hills WWTP, add a new sewage pump station and force main and tie in to the existing Central Hampshire PSD's gravity system; upgrade the existing 200,000 GPD Frenchburg WWTP (Phase 1) maintaining the existing office building, mechanical screen, clarifier & UV channel, replacing the influent lift station, adding a new biological nutrient removal unit, adding a grit removal system, new blowers, new chemical feed & storage facilities, a phosphorus removal system and decommission the existing aerated lagoons; and rehabilitate three(3) lift stations & numerous manholes.

The cost per customer is **\$13,940**. Total estimated project cost is **\$11,054,700** (CWSRF Loan: **\$3,705,000 @ 0.5% for 40 years**; CWSRF Grant: **\$1,500,000**; USDA Loan: **\$1,500,000 @ 3.00 % for 40 years**; USDA Grant: **\$1,000,000**; WDA Economic Enhancement Grant Fund: **\$2,500,000**; IJDC District 2 Grant: **\$500,000**; and Hampshire County Commission: **\$350,000**).

**NEED FOR PROJECT:**

The Preliminary Engineering Report indicates both the Harvest Hills WWTP and the Frenchburg WWTP are at the end of their useful life; do not handle high inflow during wet weather events due to high I&I, and generally do not meet their respective NPDES discharge requirements.

**CONCERNS:**

None.

**PERMITS:**

A permit **will not be** required from the WV Bureau for Public Health since CWSRF are being proposed.



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Harold D. Ward, Cabinet Secretary  
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## MEMORANDUM

**TO:** Katheryn Emery, P.E., Director, DWWM

**FROM:** Cali Carter, E.I., DWWM

**DATE:** June 12, 2023

**SUBJECT:** Central Hampshire Public Service District  
Preliminary Application: IJDC No. 2023S-2340  
Wastewater System Improvements

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### RECOMMENDATION

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

### PROJECT DESCRIPTION

The Central Hampshire Public Service District (PSD) owns and operates a sanitary sewer collection system and two wastewater treatment plants (WWTP). The first of the two WWTP's, the Harvest Hills WWTP is an activated sludge package plant, designed to treat an average daily flow of 39,000 gallons per day (GPD). The second, which serves as the PSD's main WWTP, is the Frenchburg WWTP, an aerated lagoon designed to treat an average daily flow of 200,000 GPD. The PSD also purchases additional wastewater treatment from the Town of Romney on an as needed basis. The PSD serves 694 residential customers and 100 commercial customers, totalling 794 customers.

This project proposes to decommission the Harvest Hills WWTP, upgrade the Frenchburg WWTP, and rehabilitate existing manholes and lift stations. Flow from the decommissioned Harvest Hills WWTP will be sent to the Frenchburg WWTP. Several major components of the Frenchburg WWTP will be replaced, including the influent lift station and blowers. A new Biological Nutrient Removal (BNR) unit, phosphorus removal system, chemical feed system, and grit removal system will be constructed. Upgrades at the Frenchburg WWTP will allow the plant to meet the Chesapeake Bay watershed effluent requirements.

The proposed total cost for this project is \$11,054,700 and the PSD intends to pursue \$1,500,000 in CWSRF Principal Forgiveness, a \$500,000 IJDC Grant, a \$3,705,000 SRF Loan, a \$1,500,000 USDA Loan, a \$1,000,000 USDA Grant, \$2,500,000 of WDA EEG funds, and \$450,000 of Hampshire County Commission ARPA funds. The current monthly rate for 3,400 gallons is \$63.38 (1.57% MHI)

## **NEED FOR PROJECT**

The Harvest Hills and Frenchburg WWTP's perform moderately well during times of dry weather flow. However, they both have significant limitations during wet weather peak flow conditions. Several components of the Frenchburg WWTP are undersized for the current organic loading, particularly the lagoons. Limitations at both plants make the district vulnerable to emergency conditions. Although this has been partially abated by the ability to send flow to the Town of Romney, wet weather flow with the existing infrastructure and bypassing options in place still presents a health, sanitation and security issue.

The Frenchburg WWTP received a Notice of Violation (NOV) from the US EPA in April of 2021. The NOV noted 11 effluent violations from June 2017 to June 2021, with 10 of the 11 relating to nitrogen and coliform. Additionally, the NOV noted faulty aeration in basin #2, duckweed on the surface of the aeration basins, duckweed and sludge on the surface of the integral clarifiers, and biological growth on the weirs of the clarifiers.

The Harvest Hills package WWTP cannot adequately treat the heavy organics in the raw water influent, and at times, flow from the collection system must be diverted from the plant to the City of Romney. The high organics are attributed to an assisted living facility nearby. Additionally, the City of Romney has substantially increased its bulk rates for wastewater treatment over the last decade. These have resulted in high operations and maintenance costs. Based on the 2022 PSC Report, the PSD purchased \$69,197 in treatment and system pumping power.

Approximately 52 manholes have significant deterioration due to concrete damage from hydrogen sulfide. Another 24 manholes have been reported to have either root intrusion or leaking inverts. These manholes likely contribute to increased peak flow seen at the Frenchburg WWTP.

The majority of the collection system piping is generally newer, less than 20 years old, and is believed to be in good condition. I/I is suspected to be entering the system through deteriorated manholes and private service contributions.

The Little Cacapon River has been identified by the USEPA as an impaired waterway for warm water fishery near Frenchburg and surrounding downstream areas. The Frenchburg and Harvest Hills WWTP's do not currently meet Chesapeake Bay watershed standards.

## **DEFICIENCIES/COMMENTS**

- The PER will need to be developed into a facilities plan that meets CWSRF requirements if CWSRF is used.
- A public meeting must be held to discuss the project, costs, and associated customer rates.

- A copy of the Intermunicipal Agreement with the Town of Romney should be included in the PER.

Engineering Fees:

Estimated construction cost =	\$ 9,377,770.00
Consultant's design fee =	\$ 475,000.00
Consultant's total fee =	\$ 1,164,055.00
Design fee percentage =	5.07 %
Design fee per ASCE curve =	6 %
Total fee percentage =	12.41 %
Total fee per ASCE curve =	17 %

Preliminary Project Ratings:

Public Health Benefits:	10
Compliance with Standards:	20

*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

June 7, 2023

Ms. Kathy Emery, P. E.  
Office of Water Resources  
Department of Environmental Protection  
601 57<sup>th</sup> St.  
Charleston, West Virginia 25304

Re: Public Service Commission Staff Review Comments  
Application No. 2023S-2340  
Central Hampshire PSD - Sewer  
Infrastructure Preliminary Application

Dear Ms. Emery:

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 the District's current financial condition, we are recommending the application be:

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

Please advise if you have any questions.

Sincerely,

A handwritten signature in red ink, appearing to read "Jonathan M. Fowler".

Jonathan M. Fowler, P.E.  
Engineering Division

JMF:vb

**PUBLIC SERVICE COMMISSION STAFF  
TECHNICAL REVIEW**

**DATE:** June 6, 2023

**PROJECT SPONSOR:** **CENTRAL HAMPSHIRE PUBLIC SERVICE DISTRICT  
– (SEWER)**

**PROJECT SUMMARY:** Miscellaneous improvements to include decommission the Harvest Hills package WWTP, upgraded 200,000 GPD average daily flow biological nutrient removal plant at Frenchburg, and select rehabilitation of existing collection system components. The plant upgrade will meet the more stringent effluent requirements of the Chesapeake Bay watershed.

<b>PROPOSED FUNDING:</b>	Hampshire County Commission Grant	\$350,000
	IJDC District 2 Grant	\$500,000
	USDA Grant	\$1,000,000
	USDA Loan (3%, 40 Yrs.)	\$1,500,000
	CWSRF Grant	\$1,500,000
	WDA Economic Enhancement Grant	\$2,500,000
	CWSRF Loan (0.25%, 0.25% AF, 40 Yrs.)	<u>\$3,705,000</u>
	Total	\$11,055,000

**CURRENT RATES:** \$63.38 3,400 gallons  
\$74.56 4,000 gallons

**PROPOSED RATES:** \$83.40 3,400 gallons  
\$98.12 4,000 gallons

Application No. 2023S-2340

**RECOMMENDATION:**  X  forward to the Funding Committee.  
     forward to the Consolidation Committee.  
     return to the Applicant.

**NOTE:** The Town of Romney has requested that this project be forwarded to the Consolidation Committee for further evaluation and this suggestion should be considered during review by the full TRC.



**FINANCIAL:** Kaitlyn J. Shamblin

1. Current rates (\$63.38 for 3,400 gallons) are above the rates attributable to 1.25% (\$50.55) and 1.5% (\$60.66) of the Median Household Income (MHI), but below the rates attributable to 1.75% (\$70.77) and 2% (\$80.88) of the MHI. Increasing current rates to 1.75% and 2% of the MHI would provide additional revenues of \$107,939 and \$255,606, respectively.
2. Using Scenario 1, the preferred funding package consisting of a Hampshire County Commission Grant of \$350,000, an IJDC District 2 Grant of \$500,000, a USDA Grant of \$1,000,000, a USDA Loan of \$1,500,000 at 3% for 40 years (paid back over 38 years), a CWSRF Grant of \$1,500,000, a WDA Economic Enhancement Grant of \$2,500,000, and a CWSRF Loan of \$3,705,000 at 0.25%, 0.25% Administrative Fee for 40 years (paid back over 38 years), proposed rates (\$83.40 for 3,400 gallons) will provide a cash flow surplus of \$4,285 and debt service coverage of 148.53%.
3. Using Scenario 2, alternate loan package of \$10,705,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years) and committed funds consisting of a Hampshire County Commission Grant of \$350,000, proposed rates (\$92.58 for 3,400 gallons) will provide a cash flow deficit of \$369,850 and debt service coverage of 80.06%. An additional 28.1% (for a total of \$118.59 for 3,400 gallons) will be required in order to provide a cash flow surplus of \$650 and debt service coverage of 127.35%.
4. Notes to Comments:
  - A. Staff's detailed adjustments are listed on Attachment A for Scenario 1 (Preferred Funding Package) and Attachment B for Scenario 2 (Loan Package).
  - B. Staff prepared the attached Cash Flow Analysis utilizing information from the Annual Report for the Fiscal Year Ended June 30, 2022, and the Applicant's Rule 42 Exhibit submitted with the application.
  - C. Staff notes the application and Rule 42 Exhibit reflect funding including a CWSRF loan with terms of 0.5% for 40 years (paid back over 38 years). The proper loan terms for the CWSRF loan are

0.25%, and .25% Administrative Fee for 40 years (paid back over 38 years). Staff has used the correct terms in its Scenario 1.

- D. Staff also notes the Applicant's Rule 42 Exhibit reflects a decrease at going level for unmetered revenues, rather than an increase from the increased flat rate charge. According to the accountant for the Applicant, the unmetered revenues for fiscal year ending June 30, 2022, were estimated at the time the Applicant's books were closed. The going level adjustment resulted in a decrease as the unmetered revenue estimate was too high, and the subsequent increase from the change in rates was low in comparison to the overestimation. The Applicant should ensure appropriate accounting adjustments are made to correct the per books amount when filing its Rule 42 Exhibit for a Certificate of Convenience and Necessity.
- E. Senate Bill 234, effective June 12, 2015, required water and sewer utilities that are political subdivisions of the state to maintain a cash working capital reserve in an amount of no less than one-eighth (1/8) of actual annual operation and maintenance expenses. It should be noted that the cash flow provided by the project sponsor includes funding for the 1/8 cash working capital reserve. Staff accepted that amount in its analysis. However, this amount may be reviewed by the Commission in future filings in accordance with Public Service Commission General Order 183.11.
- F. The cash flow provided by the project sponsor shows a **Going-Level deficit**. NOTE: The District needs to carefully evaluate its current financial position and may need to **immediately file for a rate increase**.

**ENGINEERING:** Mansour Mashayekhi

1. This project will require a Certificate of Convenience and Necessity from the PSC. The project 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.*
2. **Scope:** This proposed project will include decommissioning the Harvest Hills package wastewater treatment plant and divert all flow into the existing Central Hampshire system through a new lift station and force

main to deliver wastewater to an upgraded 200,000-GPD average-daily flow biological nutrient removal plant at Frenchburg. Work also includes select rehabilitation of existing collection system components. The plant upgrade is designed to meet the more stringent effluent requirements of the Chesapeake Bay watershed. The total budget for the project is anticipated to be \$11,055,000.

3. **Need for Project:** The Harvest Hills plant is vulnerable during wet weather flow due to high organic loading and the District must divert some flow to Romney during these times. Thus, this plant not independently able to provide treatment at all times. The Frenchburg wastewater treatment plant also cannot handle peak flows due to a variety of limiting components. In addition, various components in the Central Hampshire collection system and Frenchburg plant are beginning to reach the end of their useful life. Specifically, the plant influent lift station, aeration capacity and integral clarifier apparatuses need complete replacement if they are to remain operable.
4. **Customer Density:** customer density will remain unchanged.
5. **Cost per Customer:** Based upon the estimated project budget of \$11,055,000 and have approximately 793 existing customers, cost-per-customer is approximately \$13,941; this is acceptable.
6. **Project Feasibility:** The project appears to be technically feasible.
7. **Project Alternatives:** The life cycle and non-monetary factor analyses for the Harvest Mills WWTP, Frenchburg WWTP, and Jersey Mountain Road showed steady increase in O&M expenses and old equipment needed to be replaced.
8. **Consolidation:** The continuing use of sewer treatment services by the Town of Romney may be cost-effective and should be carefully evaluated. **NOTE:** The Town of Romney has requested that this project be forwarded to the Consolidation Committee for further evaluation and this suggestion should be considered during review by the full TRC.
9. **Inconsistencies:** None was noticed for this project.
10. **Project Permits:** The following permits/agency correspondence are anticipated to be required for this project and will be obtained prior to

beginning of construction: WVDEP (Sanitary Sewer Permit Modification), General NPDES Permit for storm water control, WV Division of Highways Occupation permits, and WV PSC Certificate of Convenience and Necessity Permit.

11. **Operation and Maintenance (O&M) Expenses:** The project's O&M expenses are estimated to decrease by approximately (\$2,456) to an annual O&M of \$705,520).
12. **Engineering Agreement:** The applicant has provided documentation relative to compliance with West Virginia Code §5G-1-1, et seq. Based on the filing, the total design fees for engineering services are \$475,000 at the construction cost of \$9,377,770. This is approximately 5.07% of the construction costs as shown on the application.

CENTRAL HAMPSHIRE PUBLIC SERVICE DISTRICT - SEWER  
 CASH FLOW ANALYSIS  
 YEAR ENDED: June 30, 2022  
 APPLICATION NO: 2023S-2340  
 June 7, 2023

PREFERRED FUNDING PACKAGE  
 SCENARIO 1

	Rule 42 Going Level Per Application Before Project	Rule 42 Proforma Per Application with Project	Staff Adjustments	Per Staff Analysis
	1	2	3	4
	\$	\$	\$	\$
<u>AVAILABLE CASH</u>				
Operating Revenues	925,266	1,217,506	(55,296) (1)	1,162,210
Other Operating Revenue	10,717	13,017	-	13,017
SB 234 Annual Working Cash Collections			55,296 (2)	55,296
Interest Income & Other Misc.	334	334	-	334
Total Cash Available	936,317	1,230,857	-	1,230,857
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	707,976	705,520	4,832 (3)	710,352
Taxes	18,752	18,752	-	18,752
Total Cash Requirements Before Debt Service	726,728	724,272	4,832	729,104
Cash Available for Debt Servi (A)	209,589	506,585	(4,832)	501,753
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	168,806	342,126	(4,305) (4)	337,821
Other Debt	58,068	58,068	-	58,068
Reserve Account @ 10%	-	17,332	(430) (5)	16,902
Renewal & Replacement Fund (2.5%)	23,400	30,763	(1,382) (6)	29,381
Total Debt Service Requirement	250,274	448,289	(6,117)	442,172
SB 234 Cash Working Capital	55,603	55,296	-	55,296
Remaining Cash	(96,288)	3,000	1,285	4,285
Percent Coverage (A) / (B)	124.16%	148.07%		148.53%
Average rate for 3,400 gallons	\$ 63.38	\$ 83.40	\$ -	\$ 83.40
Average rate for 4,000 gallons	\$ 74.56	\$ 98.12	\$ -	\$ 98.12

**Staff Adjustments**

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	<b>Operating Revenues</b>	<b>Per Staff Analysis</b>	<b>1,162,210</b>	<b>(55,296)</b>
		<b>Per Application with Project</b>	<b>1,217,506</b>	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	<b>SB 234 Annual Working Cash Collections</b>	<b>Per Staff Analysis</b>	<b>55,296</b>	<b>55,296</b>
		<b>Per Application with Project</b>	<b>-</b>	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	<b>Operating Expenses</b>	<b>Per Staff Analysis</b>	<b>710,352</b>	<b>4,832</b>
		<b>Per Application with Project</b>	<b>705,520</b>	
	The difference in Operating Expenses is due to Staff's calculation of a CWSRF Loan, 0.25% administrative fee for 38 years.			
(4)	<b>Principal &amp; Interest</b>	<b>Per Staff Analysis</b>	<b>337,821</b>	<b>(4,305)</b>
		<b>Per Application with Project</b>	<b>342,126</b>	
	The difference in P&I is related to Staff's calculation of a CWSRF loan of \$3,705,000 for 40 years (paid over 38 years) at 0.25% and 0.25% administrative fee and a USDA loan of \$1,500,000 (paid over 38 years) at 3%.			
(5)	<b>Reserve Account @ 10%</b>	<b>Per Staff Analysis</b>	<b>16,902</b>	<b>(430)</b>
		<b>Per Application with Project</b>	<b>17,332</b>	
	Staff assumed a 10% reserve on the new debt.			
(6)	<b>Renewal &amp; Replacement Fund (2.5%)</b>	<b>Per Staff Analysis</b>	<b>29,381</b>	<b>(1,382)</b>
		<b>Per Application with Project</b>	<b>30,763</b>	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

CENTRAL HAMPSHIRE PUBLIC SERVICE DISTRICT - SEWER  
 CASH FLOW ANALYSIS  
 YEAR ENDED: June 30, 2022  
 APPLICATION NO: 2023S-2340  
 June 7, 2023

**LOAN PACKAGE  
 SCENARIO 2**

	Max Rate Going Level Per Application Before Project	Max Rate Proforma Per Application with Project	Staff Adjustments	Per Staff Analysis
	1	2	3	4
	\$	\$	\$	\$
<b><u>AVAILABLE CASH</u></b>				
Operating Revenues	925,266	1,354,139	324,704 (1)	1,678,843
Other Operating Revenue	10,717	13,017	-	13,017
SB 234 Annual Working Cash Collections			55,296 (2)	55,296
Interest Income & Other Misc.	334	334	-	334
<b>Total Cash Available</b>	<b>936,317</b>	<b>1,367,490</b>	<b>380,000</b>	<b>1,747,490</b>
<b><u>OPERATING DEDUCTIONS</u></b>				
Operating Expenses	707,976	705,520	-	705,520
Taxes	18,752	18,752	-	18,752
<b>Total Cash Requirements Before Debt Service</b>	<b>726,728</b>	<b>724,272</b>	<b>-</b>	<b>724,272</b>
<b>Cash Available for Debt Servi (A)</b>	<b>209,589</b>	<b>643,218</b>	<b>380,000</b>	<b>1,023,218</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Principal & Interest (B)	168,806	475,343	328,101 (3)	803,444
Other Debt	58,068	58,068	-	58,068
Reserve Account @ 10%	-	17,332	46,132 (4)	63,464
Renewal & Replacement Fund (2.5%)	23,400	34,179	8,118 (5)	42,297
<b>Total Debt Service Requirement</b>	<b>250,274</b>	<b>584,922</b>	<b>382,350</b>	<b>967,272</b>
<b>SB 234 Cash Working Capital</b>	<b>55,603</b>	<b>55,296</b>	<b>-</b>	<b>55,296</b>
<b>Remaining Cash</b>	<b>(96,288)</b>	<b>3,000</b>	<b>(2,350)</b>	<b>650</b>
<b>Percent Coverage (A) / (B)</b>	<b>124.16%</b>	<b>135.32%</b>		<b>127.35%</b>
Average rate for 3,400 gallons	\$ 63.38	\$ 92.58	\$ 26.01	\$ 118.59
Average rate for 4,000 gallons	\$ 74.56	\$ 108.91	\$ 30.60	\$ 139.51

**CENTRAL HAMPSHIRE PUBLIC SERVICE DISTRICT - SEWER  
CASH FLOW ANALYSIS  
YEAR ENDED: June 30, 2022  
APPLICATION NO: 2023S-2340**

**Attachment B  
LOAN PACKAGE  
SCENARIO 2**

**Staff Adjustments**

<u>Adjustment Description</u>			Increase <Decrease>
		\$	
(1) <b>Operating Revenues</b>	<b>Per Staff Analysis</b>	<b>1,678,843</b>	<b>324,704</b>
	<b>Per Application with Project</b>	<b>1,354,139</b>	
Adjust revenues in accordance with PSC General Order 183.11. Staff also projected that an additional \$380,000 in revenues would be needed to achieve 115% debt service coverage and a positive cash flow surplus.			
(2) <b>SB 234 Annual Working Cash Collections</b>	<b>Per Staff Analysis</b>	<b>55,296</b>	<b>55,296</b>
	<b>Per Application with Project</b>	<b>-</b>	
Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3) <b>Principal &amp; Interest</b>	<b>Per Staff Analysis</b>	<b>803,444</b>	<b>328,101</b>
	<b>Per Application with Project</b>	<b>475,343</b>	
The difference in P&I is related to Staff's calculation of a loan of \$10,705,000 for 40 years (paid over 38 years) at 5%.			
(4) <b>Reserve Account @ 10%</b>	<b>Per Staff Analysis</b>	<b>63,464</b>	<b>46,132</b>
	<b>Per Application with Project</b>	<b>17,332</b>	
Staff assumed a 10% reserve on the new debt.			
(5) <b>Renewal &amp; Replacement Fund (2.5%)</b>	<b>Per Staff Analysis</b>	<b>42,297</b>	<b>8,118</b>
	<b>Per Application with Project</b>	<b>34,179</b>	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			