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: Dr. Mark Sarver, Executive Director, Water Development Authority
Meredith J. Vance, Director, Environmental Engineering Division, BPH

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

Date: October 21, 2026

Subject: Century Volga PSD
IJDC Application - 2026W-2836
Water 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 water 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 upgrade the PSD's existing distribution system and will extend service to approximately 10 customers on Werner Road.

The proposed cost for this project is $3,860,000.00. The PSD will pursue a funding scenario of a $2,360,000 Community Development Block Grant, a $1,000,000 DWTRF Principal Forgiveness Loan, and a $500,000 WV IJDC Grant. The proposed average monthly rate for 3,400 gallons is $69.17 (1.61% MHI).

Preliminary Project Ratings:

Public Health Benefits:	0
Compliance with Standards:	10
Operation & Maintenance:	2

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MEMORANDUM

TO: Katheryn Emery, P.E., Program Manager, DWWM

FROM: Corey McComas, DWWM

DATE: October 13, 2026

SUBJECT: Century Volga PSD
Water System Improvements
IJDC No. 2026W-2836

RECOMMENDATION

The IJDC application and Preliminary Engineering Report (PER), prepared by E.L. Robinson, dated August 2026, for the above referenced project has been reviewed and is technically feasible.

PROJECT DESCRIPTION

Century Volga Public Service District (PSD) operates a water distribution system in Barbour County and serves 1,074 customers throughout the service area. The PSD purchases water from the City of Philippi and owns and operates a system that has a storage capacity of approximately 36,000 gallons per day.

This project is water system improvements and consists of the following: replacing lines at Audra State Park Road and equipment, such as satellite telemetry, 449 water meters, and 2 PRVs; increasing Main Tank capacity from 100,000 gallons to 400,000 gallons: installing generators at two Booster PSs: and extending service to 10 customers along Werner Road.

The proposed cost for this project is $3,860,000.00. The PSD will pursue a funding scenario of a $2,360,000 Community Development Block Grant, $1,000,000 DWTRF Principal Forgiveness Loan, and $500,000 WV IJDC Grant (taken from the Combined Appl.).

NEED FOR PROJECT

This project would provide customers with a safer and more reliable water source. The existing distribution system storage capacity is adequate, but does not have additional storage capacity that is necessary during emergency conditions, such as power outages and extended fire fighting situations. The increased capacity of the main tank would provide almost two days storage of water for their customers during emergencies.

DEFICIENCIES/COMMENTS

- No mention of cyber security assessment or improvements.
- Provide PWSID #.
- A project-specific public meeting must be held.
- Provide the most recent Sanitary Survey.

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

October 15, 2026

Mark Sarver, Chair
Water Development Authority, Executive Director
Katheryn Emery, P.E., Program Manager
CWSRF & DWTRF, Division of Water and Waste Management, WVDEP
Meredith Vance, Director
Environmental Engineering Division, WVBPH

Re: Public Service Commission Staff Review Comments
Application No. 2026W-2836
Century Volga PSD – Water System Improvements & Waterline Extension (Werner Road)
Infrastructure Preliminary Application

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:

__X__ Forwarded to the Funding Committee

_____ Forwarded to the Consolidation Committee

_____ Returned to the Applicant

Please advise if you have any questions.

Sincerely,

Brandon Crace

Brandon Crace
Engineering Division

Enclosures

PUBLIC SERVICE COMMISSION STAFF
TECHNICAL REVIEW

DATE: October 15, 2026

PROJECT SPONSOR: **CENTURY VOLGA PUBLIC SERVICE DISTRICT (WATER)**

PROJECT SUMMARY: Century Volga Public Service District is proposing to replace a section of water main on Audra Road, and extend water service on Acorn Lane, Winan Way, and Werner Road to approximately 10 new customers.

PROPOSED FUNDING:

IJDC Grant	$ 500,000
DWTRF Principal Forgiveness	1,000,000
CDBG	2,360,000
Total	$3,860,000

CURRENT/PROPOSED RATES:

$69.17	3,400 gallons
$81.13	4,000 gallons

Application No. 2026W-2836

RECOMMENDATION:
__X__ Forward to the Funding Committee
____ Forward to the Consolidation Committee
____ Return to the Applicant

FINANCIAL: Bob Cadle

1. Current rates ($69.17 for 3,400 gallons) are above the rates attributable to 1.25% ($48.88), 1.50% ($58.66), and 1.75% ($68.43) of the Median Household Income (MHI), but below the rates attributable 2% ($78.21) of the MHI. Increasing current rates to 2.0% of the MHI would provide additional revenue of $132,656.

2. Using Scenario 1, the preferred funding package consisting of an IJDC Grant of $500,000, a DWTRF Principal Forgiveness Loan of $1,000,000, and a CDBG of $2,360,000, proposed rates ($69.17 for 3,400 gallons) will provide a cash flow surplus of $9,488 and debt service coverage of 252.97%.

3. Using the Scenario 2 alternate loan package of $3,860,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates ($85.08 for 3,400 gallons) will provide a cash flow deficit of $323 and debt service coverage of 153.27%. An additional 0.1% (for a total of $85.17 for 3,400 gallons) increase in proposed rates will be required in order to provide a cash flow surplus of $652 and a debt service coverage of 153.57%.

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, 2025, and the Applicant's Cash Flow Statement submitted with the application.

   C. Because proposed funding is based on all grant funding, the Applicant is requesting a waiver of the Rule 42 Exhibit requirement.

   D. The Applicant's cash flow analyses include going level rates of $69.17 (for 3,400 gallons). These rates were approved in Case No. 26-0029-PWD-19A and became effective September 10, 2026. Staff included these rates in its analyses.

   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 flows provided by the project sponsor include funding for the 1/8 cash working capital reserve. Staff accepted that amount in its analyses. However, this amount may be reviewed by the Commission in future filings in accordance with Public Service Commission General Order 183.11.

ENGINEERING: Brandon Crace

1. Pursuant to House Bill 2742 passed in the 2025 Legislative Session, this project will not require a Certificate of Convenience and Necessity from the PSC.

2. Scope: Century Volga Public Service District is proposing to replace a section of water main on Audra Road, and extend water service on Acorn Lane, Winan Way, and Werner Road to approximately 10 new customers. The proposed project scope includes: mobilization, 6700 LF of 6-inch PVC water main, 60 LF of 12-inch casing (bore & jack), four (4) 6-inch gate valves, 90 LF of 3/4-inch service line, 120 LF of 3/4-inch service line (road crossing), 1 air release valve, 20 LF of WVDOT Type A Trench Repair (asphalt), 120 LF of WVDOT Type B Trench Repair (asphalt), 100 LF of WVDOT Type C Trench Repair (gravel), 30 LF of WVDOT Type D Trench Repair (concrete), 405 Tons of WVDOT 307-1 (shoulder stone), 2 connections to existing 6-inch water main, 1 connection to existing 4-inch water main, 1 connection to existing 8-inch water main (hot tap), 449 water meters (3/4-inch), 3 water meters (2-inch), twenty (20) 6-inch gate valves, replacement of Stewarts Run PRV & master meter, replacement of Talbott Rd. PRV, 2 emergency generator installations, new 400,000-gallon Main water storage tank, demo existing Main water storage tank, telemetry system upgrades, rehab access road to Century water storage tank, and necessary appurtenances. The estimated construction cost is $3,055,500 (includes 9.99% construction contingency), and the estimated total project cost is $3,860,000 (includes 2.97% project contingency).

   Need: The PER indicates that existing customers located on Acorn Lane and Winans Way are served by long service lines, and the installation of a water main on Acorn Lane and Winans Way will relocate the point of service closer to the customer. Additionally, the existing water main along Audra Lane is described as "…outdated and leaking…", and water pressure can be increased along Audra Road with the replacement of the existing water main. The PER states that "…meters installed with the initial phase of the CVPSD water extension in 1983 were not radio read and are outdated.", and the installation of new radio read meters will reduce manhours associated with meter reading. The PER indicates the Stewart's Run and Talbott PRVs are installed in metal vaults that do not drain, which is causing rusting of existing piping and the 6-foot circular shape restricts the available working space. The PER states "The daily water use for the CVPSD water distribution system is 157,100 gallons per day.", the existing Main water storage tank is 100,000-gallons, and the proposed 400,000-gallon water storage tank will provide for approximately 2 days of water storage.

Customer Density: Based upon the provided Werner Road water main pipe quantities (9000 LF), the proposed waterline extends approximately 1.7 mile to serve 10 potential customers. This is approximately equivalent to 5 customers per mile.

Cost per Customer: Based upon the estimated total project cost of $3,860,000, and having approximately 1084 (1074 existing + 10 new) customers, the cost per customer will be approximately $3,561. The PER indicates a total estimated construction cost of $437,100 to extend water service to 10 new customers, which equates to approximately $43,710 (does not include engineering or other soft costs). The cost per customer in terms of proposed borrowing is $0, as the proposed funding is 100% grant.

3. Project Alternatives: The PER evaluated three (3) alternatives: Alternative 1 – "No Action", Alternative 2 – Perform All Upgrades & Use DIP to Construct All Waterline Replacements and Extensions, and Alternative 3 - Perform All Upgrades & Use PVC to Construct All Waterline Replacements and Extensions. Both alternatives 2 & 3 included the same scope of work, but Alternative #2 utilized ductile iron pipe. The PER indicates that Alternative 3 "…is considered the most economic and viable alternative to ensure the future quality and dependability of the Century-Volga…" PSD's water system.

4. Consolidation: There are no consolidation opportunities presented by this project.

5. Operation and Maintenance (O&M) Expenses: The PER did include a detailed breakdown of anticipated changes to O&M expenses, which identifies an estimated annual increase of $4,697. The anticipated increase appears to be related to purchased water, purchased power (pumping), customer account expenses, and administrative expenses.

6. Engineering Agreement: The application includes information to determine compliance with West Virginia Code §5G-1-1, *et seq*. Total technical services (engineering) costs for the project are $540,000, which is equal to 17.67% of the construction cost of $3,055,500 (includes 9.99% construction contingency).

7. Deficiencies/Comments:
    - The water loss on the Century Volga PSD water system is reported at 43.7% in the 2025 PSC Annual Report.
    - While the proposed project scope replaces a section of existing water main, the limits of the water loss and non-revenue water is not documented in the PER.
    - Century Volga PSD is a water purchaser of the City of Philippi; therefore, any water lost has already been purchased as treated water. For example: In FY 2025 Century Volga purchased 75,126,000 gallons of water at a cost of $313,831. Utilizing the reported water loss of 43.7%, the amount of treated water lost is 32,830,062, which is approximately equivalent to $137,144.
    - Based on the FY 2025 PSC Annual Report, Century Volga PSD documents 506,051 LF of water mains; meanwhile, this project proposes to replace 6,700 LF of water main, which is equivalent to 1.32% of the water system's water mains.
    - Based on the FY 2025 PSC Annual Report, Century Volga PSD did not report any gallons lost due to fire department use or main leaks; however, the PER and Annual Report noted water main leaks attributing to the water loss value.
    - Century Volga PSD should be encouraged to work with professionals to identify and address high water loss zones/areas of their water distribution system.
    - Century Volga PSD should be encouraged to continue to file its detailed Annual Report, and include water volumes attributed to fire department use and main leaks.

CENTURY VOLGA PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2026W-2836
October 15, 2026

PREFERRED FUNDING PACKAGE
SCENARIO 1

		Cash Flow Going Level Per Application Before Project	Cash Flow Proforma Per Application with Project	Staff Adjustments		Per Staff Analysis
		1	2	3		4
		$	$	$		$
AVAILABLE CASH						
Operating Revenues		956,781	962,069	-		962,069
Other Operating Revenue		25,388	25,505	-		25,505
SB 234 Annual Working Cash Collections		100,925	101,512	-		101,512
Interest Income & Other Misc.		2,435	2,435	-		2,435
Total Cash Available		1,085,529	1,091,521	-		1,091,521
OPERATING DEDUCTIONS						
Operating Expenses		807,402	812,099	-		812,099
Taxes		19,053	19,053	-		19,053
Total Cash Requirements Before Debt Service		826,455	831,152	-		831,152
Cash Available for Debt Service	(A)	259,074	260,369	-		260,369
DEBT SERVICE REQUIREMENTS						
Principal & Interest	(B)	102,304	102,924	-		102,924
Other Debt		21,756	21,756	-		21,756
Reserve Account @ 10%				-		-
Renewal & Replacement Fund (2.5%)		34,089	27,119	(2,430)	(1)	24,689
Total Debt Service Requirement		158,149	151,799	(2,430)		149,369
SB 234 Cash Working Capital		100,925	101,512	-		101,512
Remaining Cash		-	7,058	2,430		9,488
Percent Coverage	(A) / (B)	253.24%	252.97%			252.97%
Average rate for 3,400 gallons		$ 69.17	$ 69.17	$ -		$ 69.17
Average rate for 4,000 gallons		$ 81.13	$ 81.13	$ -		$ 81.13

CENTURY VOLGA PUBLIC SERVICE DISTRICT - WATER | **Attachment A**
CASH FLOW ANALYSIS | **PREFERRED FUNDING PACKAGE**
YEAR ENDED: June 30, 2025 | **SCENARIO 1**
APPLICATION NO: 2026W-2836

Staff Adjustments

	Adjustment Description		$	Increase <Decrease>
(1)	**Renewal & Replacement Fund (2.5%)**	**Per Staff Analysis**	**24,689**	**(2,430)**
		Per Application with Project	**27,119**	

Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.

CENTURY VOLGA PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2026W-2836
October 15, 2026

LOAN FUNDING 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
		$	$	$		$
AVAILABLE CASH						
Operating Revenues		956,781	1,205,341	1,000	(1)	1,206,341
Other Operating Revenue		25,388	30,346	-		30,346
SB 234 Annual Working Cash Collections		100,925	101,512	-		101,512
Interest Income & Other Misc.		2,435	2,435	-		2,435
Total Cash Available		1,085,529	1,339,634	1,000		1,340,634
OPERATING DEDUCTIONS						
Operating Expenses		807,402	812,099	-		812,099
Taxes		19,053	19,053	-		19,053
Total Cash Requirements Before Debt Service		826,455	831,152	-		831,152
Cash Available for Debt Service	(A)	259,074	508,482	1,000		509,482
DEBT SERVICE REQUIREMENTS						
Principal & Interest	(B)	102,304	326,277	5,484	(2)	331,761
Other Debt		21,756	21,756	-		21,756
Reserve Account @ 10%			22,335	549	(3)	22,884
Renewal & Replacement Fund (2.5%)		34,089	33,322	(2,405)	(4)	30,917
Total Debt Service Requirement		158,149	403,690	3,628		407,318
SB 234 Cash Working Capital		100,925	101,512	-		101,512
Remaining Cash		-	3,280	(2,628)		652
Percent Coverage	(A) / (B)	253.24%	155.84%			153.57%
Average rate for 3,400 gallons		$ 69.17	$ 85.08	$ 0.09		$ 85.17
Average rate for 4,000 gallons		$ 81.13	$ 99.79	$ 0.10		$ 99.89

CENTURY VOLGA PUBLIC SERVICE DISTRICT - WATER | **Attachment B**
CASH FLOW ANALYSIS | **LOAN FUNDING PACKAGE**
YEAR ENDED: June 30, 2025 | **SCENARIO 2**
APPLICATION NO: 2026W-2836

Staff Adjustments

	Adjustment Description		$	Increase <Decrease>
(1)	**Operating Revenues**	**Per Staff Analysis**	**1,206,341**	**1,000**
		Per Application with Project	**1,205,341**	

Staff projected that an additional $1,000 in revenues would be needed to achieve 115% debt service coverage and a positive cash flow surplus.

(2)	**Principal & Interest**	**Per Staff Analysis**	**331,761**	**5,484**
		Per Application with Project	**326,277**	

The difference in P&I is related to Staff's calculation of a loan of $3,860,000 for 40 years (paid over 38 years) at 5%.

(3)	**Reserve Account @ 10%**	**Per Staff Analysis**	**22,884**	**549**
		Per Application with Project	**22,335**	

Staff assumed a 10% reserve on the new debt.

(4)	**Renewal & Replacement Fund (2.5%)**	**Per Staff Analysis**	**30,917**	**(2,405)**
		Per Application with Project	**33,322**	

Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.

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Harold D. Ward, Cabinet Secretary
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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 Senior
General Permits & Support Team

DATE: September 30, 2026

SUBJECT: SUBJECT: Infrastructure Preliminary Application for the Century Volga PSD (2026W-2836): Waterline System Improvements Project in Barbour County, WV.

We have reviewed the above referenced project application information. Water for Century Volga PSD is purchased from the Town of Grantsville. No NPDES permit modifications are necessary.

If Century Volga 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, Century Volga 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 Century Volga 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

effective on April 6, 2024. 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: Katheryn Emery