



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: Brad Sergent, Chair
Meredith J. Vance, Director, Environmental Engineering Division, BPH

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

Date: January 22, 2026

Subject: Clover Public Service District Commission
IJDC Application - 2025W-2727
Vineyard Ridge Waterline Extension Project

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.

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- 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 is to extend water service to 38 homes in the Vineyard Ridge area that have poor quantity and quality individual wells . This will provide these residents the public health benefit of safe reliable drinking water.

The total project cost is \$4,380,000 and Clover PSD intends to pursue a \$3,285,000 Congressionally Directed Grant and a \$1,095,000 Governor's Appropriation Grant. The current monthly rate is \$48.44 (1.49% MHI) for 3,400 gallons, and user rates are not expected to increase as a result of this project.

Preliminary Project Ratings:

Public Health Benefits:	5
Compliance with Standards:	0



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MEMORANDUM

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

FROM: Michael King, P.E., DWWM

DATE: January 13, 2025

SUBJECT: Clover PSD
IJDC Application - 2025W-2727
Vineyard Ridge Waterline Extension Project

RECOMMENDATION

The IJDC Application and Preliminary Engineering Report (PER) prepared by Boyles and Hildreth, Consulting Engineers for the above referenced project have been reviewed and are technically feasible.

PROJECT DESCRIPTION

The Clover Public Service District (PSD), located in Roane County, West Virginia, owns and operates a potable water distribution system under Public Water Service Identification (PWSID) No. WV3304409. Clover provides water services to 385 customers, including the community of Clover and surrounding areas. The distribution system consists of approximately 43 miles of water service lines, three water storage tanks with a total capacity of 327,600 gallons, and one booster station. All potable water is purchased from the Spencer Water Department.

The proposed project will extend potable water service to 38 unserved homes in the Vineyard Ridge area of Roane County. The project will include the installation of 34,700 linear feet (LF) of 2 to 6-inch waterline, one hydropneumatic booster pump station, 38 water meters, and other required appurtenances.

The proposed total cost for this project is \$4,380,000. The PSD intends to fund this project using a \$3,285,000 Congressionally Directed Grant and a \$1,095,000 Governor's Appropriation Grant. The current monthly rate is \$48.44 (1.49% MHI) for 3,400 gallons, and user rates are not expected to increase as a result of this project.

NEED FOR PROJECT

Residents within the Vineyard Ridge area of Roane County are experiencing increased difficulty in obtaining safe, reliable drinking water. Residents have requested public water service from Clover based on the lack of quantity and poor quality of their private water supplies. The residents currently use drilled groundwater wells or cisterns. Residents have health and safety concerns due to contamination. Residents in the area have also expressed the need for a dispensing station of bulk drinking water.

DEFICIENCIES/COMMENTS

- Using the Combined Application, the Total Engineering Fees appear to be below the ASCE Curves.
- PER does not indicate the booster station is a hydropneumatic station, however, the engineer confirmed that it is a hydropneumatic booster station.
- Evidence of a cybersecurity vulnerability assessment should be provided.
- No water quality documentation was provided.
- Construction contingency is only at 5% but should be 10 to 15%.

Preliminary Project Ratings:

Public Health Benefits:	5
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



January 13, 2026

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. 2025W-2727
Clover PSD – Waterline Extension (Vineyard Ridge)
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,

Brandon Crace

Brandon Crace
Engineering Division

Enclosures

**PUBLIC SERVICE COMMISSION STAFF
TECHNICAL REVIEW**

DATE: January 12, 2026

PROJECT SPONSOR: CLOVER PUBLIC SERVICE DISTRICT – (WATER)

PROJECT SUMMARY: Clover Public Service District is proposing to extend water service to approximately 38 potential water customers in the Vineyard Ridge area of Roane County.

PROPOSED FUNDING: Congressionally Directed Funds	\$3,285,000
Governor's Appropriations	<u>1,095,000</u>
Total	\$4,380,000

CURRENT RATES:	\$41.99	3,400 gallons
	\$49.40	4,000 gallons

PROPOSED RATES:	\$48.44	3,400 gallons
	\$56.99	4,000 gallons

Application No. 2025W-2727

RECOMMENDATION: X Forward to the Funding Committee
 Forward to the Consolidation Committee
 Return to the Applicant

FINANCIAL: William Nelson

1. Current rates (\$41.99 for 3,400 gallons) are below the rates attributable to 1.25% (\$47.11), 1.5% (\$56.53), 1.75% (\$65.95), and 2.0% (\$75.38) of the Median Household Income (MHI). Increasing current rates to 1.25%, 1.5%, 1.75%, and 2.0% of the MHI would provide additional revenues of \$36,703, \$104,251, \$171,800, and \$239,349 respectively.
2. Using Scenario 1, the preferred funding package consisting of Congressionally Directed Funds of \$3,285,000 and a Governor's Appropriation of \$1,095,000, proposed rates (\$48.44 for 3,400 gallons) will provide a cash flow surplus of \$7,443 and debt service coverage of 177.16%.

3. Using the Scenario 2 alternate loan package of \$4,380,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates (\$94.94 for 3,400 gallons) will provide a cash flow surplus of \$2,525 and debt service coverage of 122.94%.

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. The Proposed rates (\$48.44 for 3,400 gallons) listed in the application are not in effect as of this date, but rather were proposed rates of the PSD as a result of its pending 30B filing (Case No. 25-0954-PWD-30B). However, Staff in that case issued its Final Recommendation on December 19, 2025, recommending a rate of \$44.27 (for 3,400 gallons). Staff utilized the applicant's proposed rate in its analysis, but notes the staff recommended rates in the pending 30B filing, if approved, will impact the applicant's cash flow.
- D. Staff used the MHI for Roane County District 3 of \$45,225 from the 2020 U.S. Census. The applicant showed this MHI amount rather than the County MHI.
- 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: Clover Public Service District is proposing to extend water service to approximately 38 potential water customers in the Vineyard Ridge area of Roane County. The proposed project scope includes: a new complete booster pump station, 17300 LF of 6-inch PVC water main, 2470 LF of 6-inch DIP water main, 6000 LF of 4-inch VC water main, 6600 LF of 2-inch water main, 65 test stations, fifteen (15) 6-inch valves (with box), five (5) 4-inch valves (with box), five (5) 2-inch valves (with box), 300 LF of 6-inch highway crossing, 100 LF of 4-inch highway crossing, 100 LF of 2-inch highway crossing, 5 air relief valve assembly, 3 blowoff assembly, 50 service connections, 750 LF of service line, 450 LF of service line (bore), 38 meter settings, 6 check meter settings, 31,200 LF of berm restoration, 150 CY of pavement restoration, 400 CY of limestone rip-rap, erosion control, mobilization, and all necessary appurtenances. The estimated construction cost is \$3,630,000 (includes 4.98% construction contingency), and the estimated total project cost is \$4,380,000 (includes 16.14% project contingency).

Need: The PER indicates that residents within the project area "...report either a lack of quantity or substandard quality of water for domestic purposes.", and "...have requested public water service due to lack of suitable private water supplies."

Customer Density: Based upon the provided water main pipe quantities (32,370 LF), the proposed water line extensions total approximately 6.13 mile. This is approximately equivalent to 6 customers per mile.

Cost per Customer: Based upon the estimated total project cost of \$4,380,000, and proposing to have 38 new customers, the cost to serve each new customer is \$115,263. However, the project is proposed to be 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 include a review of 3 alternate connections to other existing and planned distribution systems. However, the Clover distribution system is the closest connection, provides the greater hydraulic pressure gradient, and consists of extending the existing Clover water distribution system.
5. Consolidation: There are no consolidation opportunities presented by this project.
6. Operation and Maintenance (O&M) Expenses: The PER indicates that annual O&M expenses are anticipated to increase by \$15,100. The increases are attributed to purchased water, salaries and wages, purchased power (pumping expenses), chemicals, transportation fee, insurance, and other miscellaneous expenses.
7. 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 \$495,340, which is equal to 13.65% of the construction cost of \$3,630,000 (includes 4.98% construction contingency).
8. Deficiencies/Comments:
 - Neither the Application or PER includes documentation of community support (evidence of public meetings, written requests for water service, user sign-ups, etc.).
 - The PER states that residents in the area "...report either a lack of quantity or substandard quality of water for domestic purposes.", and "...have requested public water service due to lack of suitable private water supplies."; however, *no supporting documents were included for review.*
 - The proposed construction contingency amount (4.98%) is below the standard 10%, and almost 10% below the recent 15% amounts that have been considered appropriate.

CLOVER PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2025W-2727
January 13, 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
	\$	\$	\$	\$
<u>AVAILABLE CASH</u>				
Operating Revenues	300,956	323,045	(29,424) (1)	293,621
Other Operating Revenue	15,290	15,290	-	15,290
SB 234 Annual Working Cash Collections	-	-	29,424 (2)	29,424
Interest Income & Other Misc.	3,060	3,060	-	3,060
Total Cash Available	319,306	341,395	-	341,395
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	220,288	235,388	-	235,388
Taxes	3,625	3,625	-	3,625
Total Cash Requirements Before Debt Service	223,913	239,013	-	239,013
Cash Available for Debt Service (A)	95,393	102,382	-	102,382
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	57,792	57,792	-	57,792
Other Debt	-	-	-	-
Reserve Account @ 10%	-	-	-	-
Renewal & Replacement Fund (2.5%)	7,524	8,076	(353) (3)	7,723
Total Debt Service Requirement	65,316	65,868	(353)	65,515
SB 234 Cash Working Capital	27,536	29,424	-	29,424
Remaining Cash	2,541	7,090	353	7,443
Percent Coverage (A) / (B)	165.06%	177.16%		177.16%
Average rate for 3,400 gallons	\$ 48.44	\$ 48.44	\$ -	\$ 48.44
Average rate for 4,000 gallons	\$ 56.99	\$ 56.99	\$ -	\$ 56.99

**CLOVER PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2025W-2727**

**Attachment A
PREFERRED FUNDING PACKAGE
SCENARIO 1**

Staff Adjustments

<u>Adjustment Description</u>		\$	Increase <Decrease>	
(1)	Operating Revenues	Per Staff Analysis	293,621	(29,424)
		Per Application with Project	323,045	
Adjust revenues in accordance with PSC General Order 183.11.				
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	29,424	29,424
		Per Application with Project	-	
Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.				
(3)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	7,723	(353)
		Per Application with Project	8,076	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				

CLOVER PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2025W-2727
January 13, 2026

**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
	\$	\$	\$	\$
<u>AVAILABLE CASH</u>				
Operating Revenues	300,956	610,956	(29,424) (1)	581,532
Other Operating Revenue	15,290	15,290	-	15,290
SB 234 Annual Working Cash Collections	-	-	29,424 (2)	29,424
Interest Income & Other Misc.	3,060	3,060	-	3,060
Total Cash Available	319,306	629,306	-	629,306
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	220,288	235,388	-	235,388
Taxes	3,625	3,625	-	3,625
Total Cash Requirements Before Debt Service	223,913	239,013	-	239,013
Cash Available for Debt Service (A)	95,393	390,293	-	390,293
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	57,792	315,488	1,969 (3)	317,457
Other Debt	-	-	-	-
Reserve Account @ 10%	-	25,770	196 (4)	25,966
Renewal & Replacement Fund (2.5%)	7,524	15,274	(353) (5)	14,921
Total Debt Service Requirement	65,316	356,532	1,812	358,344
SB 234 Cash Working Capital	27,536	29,424	-	29,424
Remaining Cash	2,541	4,337	(1,812)	2,525
Percent Coverage (A) / (B)	165.06%	123.71%		122.94%
Average rate for 3,400 gallons	\$ 48.44	\$ 94.94	\$ -	\$ 94.94
Average rate for 4,000 gallons	\$ 56.99	\$ 111.70	\$ -	\$ 111.70

**CLOVER PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2025W-2727**

**Attachment B
LOAN PACKAGE
SCENARIO 2**

Staff Adjustments

<u>Adjustment Description</u>		\$	Increase <Decrease>	
(1)	Operating Revenues	Per Staff Analysis Per Application with Project	581,532 610,956	(29,424)
Adjust revenues in accordance with PSC General Order 183.11.				
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis Per Application with Project	29,424 -	29,424
Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.				
(3)	Principal & Interest	Per Staff Analysis Per Application with Project	317,457 315,488	1,969
The difference in P&I is related to Staff's calculation of a loan of \$4,380,000 for 40 years (paid back over 38 years) at 5%.				
(4)	Reserve Account @ 10%	Per Staff Analysis Per Application with Project	25,966 25,770	196
Staff assumed a 10% reserve on the new debt.				
(5)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis Per Application with Project	14,921 15,274	(353)
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				




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M E M O R A N D U M

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

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

DATE: December 17, 2025

SUBJECT: Infrastructure Preliminary Application for the Clover PSD (2025W-2727):
Vineyard Ridge Waterline Extension in Roane County, WV.

We have reviewed the above referenced project application information. The Clover PSD purchases water from the City of Spencer. No NPDES permit modifications are necessary.

If the Clover 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 Clover 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 Clover 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.

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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