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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  
Meredith J. Vance, Director, Environmental Engineering Division, BPH

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

**Date:** April 23, 2025

**Subject:** Grant County Public Service District  
IJDC Application - 2025W-2668  
Maysville Tank Project

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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.

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 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 replace the existing 50 year old concrete 100,000-gallon Maysville Tank #1 with a new 286,000-gallon water tank. According to the 2023 WVBPH Sanitary Survey it was identified that several areas around the tank have leakage as well as corrosion on the dome and access ladder. The new tank will also meet the WVBPH Design Standards of two (2) days of storage.

The proposed total cost for this project is \$2,575,000. The GCPSD is utilizing a \$1,700,625 USACE Section 571 grant and \$874,375 WVIJDC Loan.

Preliminary Project Ratings:

Public Health Benefits: 5  
Compliance with Standards: 10



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**MEMORANDUM**

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

**FROM:** Robert Moore, DWWM

**DATE:** March 21, 2025

**SUBJECT:** Grant County Public Service District  
IJDC Application - 2025W-2668  
Maysville Tank Project

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**RECOMMENDATION**

The IJDC Application and Preliminary Engineering Report (PER) prepared by Thrasher Engineering, Inc. for the above referenced project has been reviewed and is technically feasible.

**PROJECT DESCRIPTION**

The Grant County Public Service District (GCPSD) owns and operates three (3) Class A water distribution systems in Grant County, West Virginia under PWSID #3301026, #3301207, and #3301209. The proposed project is in the “Northfork/Maysville” water system which operates under PWSID #3301026 and serves approximately 1,977 customers. The source water for the Northfork/Maysville system is purchased from the City of Petersburg water treatment plant (PWSID #3301204) supplied by the South Branch of the Potomac River through two (2) master meters.

The project proposes to replace the existing 100,000-gallon Maysville Tank #1 with a new 286,000-gallon water tank, and all necessary appurtenances.

The proposed total cost for this project is \$2,575,000. The GCPSD is utilizing a \$1,700,625 USACE Section 571 reimbursable, and \$874,375 WVIJDC District 1 Loan. The proposed monthly rate will be \$45.05 (1.25% MHI) for 3,400 gallons.

## **NEED FOR PROJECT**

The existing Maysville storage Tanks #1 and #2 combine for a storage capacity of 386,000 gallons. The current 100,000 gallon Maysville Tank #1 was constructed nearly 50 years ago in 1976 and is the only concrete tank remaining in the GCPSD water systems. According to the 2023 WVBPH Sanitary Survey it was identified that several areas around the tank have leakage as well as corrosion on the dome and access ladder. It was reported as a minor deficiency and noted that it would soon be deemed a major deficiency. Additionally, the leakage from Maysville Tank #1 is providing strain on the Hotts Booster Station which regularly runs 18+ hours per day. Based upon daily usage information, the Maysville Tanks do not meet WVBPH Design Standards of two (2) days of storage. GCPSD is proposing a project to demolish the existing Maysville Tank #1 and replace it with a new 286,000 water storage tank.

## **DEFICIENCIES/COMMENTS**

- Using the Combined Application, the Design, and Total Engineering Fees appear to be within the ASCE Curves.

### **Preliminary Project Ratings:**

Public Health Benefits: 5  
Compliance with Standards: 10

# 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



April 22, 2025

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-2668  
Grant County PSD – Water System Improvements  
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

Enclosures  
JMF:vb

**PUBLIC SERVICE COMMISSION STAFF  
TECHNICAL REVIEW**

**DATE:** April 22, 2025

**PROJECT SPONSOR: GRANT COUNTY PUBLIC SERVICE DISTRICT -  
(WATER)**

**PROJECT SUMMARY:** Replacement of a water tank in the Maysville area.

<b>PROPOSED FUNDING:</b> USCOE Grant	\$1,700,625
IJDC Loan (3%, 20 yrs.)	<u>\$874,375</u>
Total	\$2,575,000

**CURRENT RATES:** \$35.38 3,400 gallons  
\$41.21 4,000 gallons

**PROPOSED RATES:** \$45.05 3,400 gallons  
\$52.47 4,000 gallons

Application No. 2025W-2668

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

**FINANCIAL: Dave Acord**

1. Current rates (\$35.38 for 3,400 gallons) are below the rates attributable to 1.25% (\$45.12), 1.5% (\$54.14), 1.75% (\$63.16), and 2% (\$72.19) of the Median Household Income (MHI). Increasing current rates to 1.25%, 1.5%, 1.75%, and 2% of the MHI would provide additional revenues of \$46,979, \$410,011, \$773,042, and \$1,136,074, respectively.
2. Using Scenario 1, the preferred funding package consisting of a USCOE Grant of \$1,700,625 and an IJDC Loan of \$874,375 at 3% for 20 years, proposed rates (\$45.05 for 3,400 gallons) will provide a cash flow surplus of \$37,519 and debt service coverage of 168.14%.
3. Using Scenario 2, alternate loan package of \$874,375 (in uncommitted funds) at 5% for 40 years (paid back over 38 years) and committed funds consisting of a USCOE Grant of \$1,700,625, proposed rates

(\$46.94 for 3,400 gallons) will provide a cash flow surplus of \$136,312 and debt service coverage of 192.46%.

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, 2024, and the Applicant's Rule 42 Exhibit submitted with the application.
- C. It should be noted that the Going Level Step 2 rates (\$39.53 for 3,400 gallons) are effective for all service rendered on and after certification of substantial completion of the project approved in case No. 21-0701-PWD-CN-PW.
- D. Staff notes the Applicant has reflected Going Level adjustments related to the aforementioned project. For purposes of this review, Staff accepted these adjustments to revenues, operation and maintenance (O&M) expenses, and debt service.
- 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.

**ENGINEERING:** Jonathan Fowler, P.E.

1. Pursuant to House Bill 2472 passed in the 2025 Legislative Session this project will not require a Certificate of Convenience and Necessity from the PSC.
2. Scope: The proposed project will replace and aged and deteriorated concrete storage tank with a glass-lined and larger capacity tank.

Customer Density: N/A - Internal improvements only, no new customers.

Cost per New Customer: Based on a project cost of \$2.575 million and 1,977 existing customers, the cost per customer is about \$1,300; this is acceptable when considering the funding scenario and scope of work.

3. Project Feasibility: The project is technically feasible and poses little implementation risk. It will address known deficiencies on this public water system.
4. Project Alternatives: one logical alternative was reviewed and dismissed. Staff has no objection to the selected alternative.
5. Consolidation: There are no consolidation opportunities presented by this small internal improvement project.
6. Inconsistencies: No fatal issues were noted
7. Operation and Maintenance (O & M) Expenses: no change to annual O & M expenses are projected. Staff concurs.
8. 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 \$367,500 which is equal to 19.3% of the construction cost.



GRANT COUNTY PUBLIC SERVICE DISTRICT - WATER  
 CASH FLOW ANALYSIS  
 YEAR ENDED: June 30, 2024  
 APPLICATION NO: 2025W-2668  
 April 22, 2025

**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
	\$	\$	\$	\$
<b>AVAILABLE CASH</b>				
Operating Revenues	1,768,180	2,019,823	-	2,019,823
Other Operating Revenue	46,273	50,146	-	50,146
SB 234 Annual Working Cash Collections	143,489	190,916	-	190,916
Interest Income & Other Misc.	39,308	39,308	-	39,308
<b>Total Cash Available</b>	<b>1,997,250</b>	<b>2,300,193</b>	<b>-</b>	<b>2,300,193</b>
<b>OPERATING DEDUCTIONS</b>				
Operating Expenses	1,527,326	1,527,326	-	1,527,326
Taxes	34,163	34,163	-	34,163
<b>Total Cash Requirements Before Debt Service</b>	<b>1,561,489</b>	<b>1,561,489</b>	<b>-</b>	<b>1,561,489</b>
Cash Available for Debt Servi (A)	435,761	738,704	-	738,704
<b>DEBT SERVICE REQUIREMENTS</b>				
Principal & Interest (B)	380,579	435,803	3,548 (1)	439,351
Other Debt	3,596		-	-
Reserve Account @ 10%	13,292	19,111	58 (2)	19,169
Renewal & Replacement Fund (2.5%)	89,719	89,719	(37,970) (3)	51,749
<b>Total Debt Service Requirement</b>	<b>487,186</b>	<b>544,633</b>	<b>(34,364)</b>	<b>510,269</b>
SB 234 Cash Working Capital	143,489	190,916	-	190,916
<b>Remaining Cash</b>	<b>(194,914)</b>	<b>3,155</b>	<b>34,364</b>	<b>37,519</b>
Percent Coverage (A) / (B)	114.50%	169.50%		168.14%
Average rate for 3,400 gallons	\$ 39.53	\$ 45.05	\$ -	\$ 45.05
Average rate for 4,000 gallons	\$ 46.03	\$ 52.47	\$ -	\$ 52.47

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	<b>Principal &amp; Interest</b>	<b>Per Staff Analysis</b>	<b>439,351</b>	<b>3,548</b>
		<b>Per Application with Project</b>	<b>435,803</b>	
The difference in P&I is related to Staff's calculation of a loan of \$874,375 for 20 years at 3%.				
(2)	<b>Reserve Account @ 10%</b>	<b>Per Staff Analysis</b>	<b>19,169</b>	<b>58</b>
		<b>Per Application with Project</b>	<b>19,111</b>	
Staff assumed a 10% reserve on the new debt.				
(3)	<b>Renewal &amp; Replacement Fund (2.5%)</b>	<b>Per Staff Analysis</b>	<b>51,749</b>	<b>(37,970)</b>
		<b>Per Application with Project</b>	<b>89,719</b>	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				

GRANT COUNTY PUBLIC SERVICE DISTRICT - WATER  
 CASH FLOW ANALYSIS  
 YEAR ENDED: June 30, 2024  
 APPLICATION NO: 2025W-2668  
 April 22, 2025

**LOAN PACKAGE  
 SCENARIO 2**

	Rule 42 Going Level Per Application Before Project	Rule 42 Proforma Per Application with Project	Staff Adjustments	Per Staff Analysis
	1	2	3	4
	\$	\$	\$	\$
<b>AVAILABLE CASH</b>				
Operating Revenues	1,768,180	2,112,129	-	2,112,129
Other Operating Revenue	46,273	51,342	-	51,342
SB 234 Annual Working Cash Collections	143,489	190,916	-	190,916
Interest Income & Other Misc.	39,308	39,308	-	39,308
<b>Total Cash Available</b>	<b>1,997,250</b>	<b>2,393,695</b>	<b>-</b>	<b>2,393,695</b>
<b>OPERATING DEDUCTIONS</b>				
Operating Expenses	1,527,326	1,527,326	-	1,527,326
Taxes	34,163	34,163	-	34,163
<b>Total Cash Requirements Before Debt Service</b>	<b>1,561,489</b>	<b>1,561,489</b>	<b>-</b>	<b>1,561,489</b>
Cash Available for Debt Servi (A)	435,761	832,206	-	832,206
<b>DEBT SERVICE REQUIREMENTS</b>				
Principal & Interest (B)	380,579	529,111	(96,695) (1)	432,416
Other Debt	3,596		-	-
Reserve Account @ 10%	13,292	19,111	(635) (2)	18,476
Renewal & Replacement Fund (2.5%)	89,719	89,719	(35,632) (3)	54,087
<b>Total Debt Service Requirement</b>	<b>487,186</b>	<b>637,941</b>	<b>(132,963)</b>	<b>504,978</b>
SB 234 Cash Working Capital	143,489	190,916	-	190,916
<b>Remaining Cash</b>	<b>(194,914)</b>	<b>3,349</b>	<b>132,963</b>	<b>136,312</b>
Percent Coverage (A) / (B)	114.50%	157.28%		192.46%
Average rate for 3,400 gallons	\$ 39.53	\$ 46.94	\$ -	\$ 46.94
Average rate for 4,000 gallons	\$ 46.03	\$ 54.66	\$ -	\$ 54.66

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	<b>Principal &amp; Interest</b>	<b>Per Staff Analysis</b>	<b>432,416</b>	<b>(96,695)</b>
		<b>Per Application with Project</b>	<b>529,111</b>	
	The difference in P&I is related to Staff's calculation of a loan of \$874,375 for 40 years (paid back over 38 years) at 5%.			
(2)	<b>Reserve Account @ 10%</b>	<b>Per Staff Analysis</b>	<b>18,476</b>	<b>(635)</b>
		<b>Per Application with Project</b>	<b>19,111</b>	
	Staff assumed a 10% reserve on the new debt.			
(3)	<b>Renewal &amp; Replacement Fund (2.5%)</b>	<b>Per Staff Analysis</b>	<b>54,087</b>	<b>(35,632)</b>
		<b>Per Application with Project</b>	<b>89,719</b>	
	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  
[www.dep.wv.gov](http://www.dep.wv.gov)

**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:** March 19, 2025

**SUBJECT:** Infrastructure Preliminary Application for the Grant Co PSD (2025W-2668):  
Maysville Tank Project in Grant County, WV.

We have reviewed the above referenced project application information. The Grant Co PSD, purchases its water from the Town of Petersburg. No NPDES permit modifications are necessary.

If the Grant Co 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 Grant Co 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 Grant Co 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