



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Bureau for Public Health
Office of Environmental Health Services

Bill J. Crouch
Cabinet Secretary

Ayne Amjad, MD, MPH
Commissioner & State Health Officer

MEMORANDUM

TO: Marie Prezioso, Funding Committee
WV Infrastructure and Jobs Development Council

FROM: Meredith J. Vance
Water Technical Review Committee

DATE: September 27, 2022

RE: Lubeck PSD
IJDC Preliminary Application Number: **2022W-2203**
New England ridge Road Extension
Wood County

1. The Committee has reviewed the pre-application and preliminary engineering report submitted for the above referenced project in accordance with Chapter 31, Article 15-A. It has been determined that the project is:
 - a. Consistent with the intent of the Infrastructure and Jobs Development Act and is the most cost-effective and environmentally sound alternative for solving the drinking water needs in this area.
 - b. Consistent with the Act but may not be the most cost-effective and environmentally sound alternative for solving the drinking water needs in this area.
 - c. Consistent with the intent of the Act and most cost-effective and environmentally sound alternative for solving the drinking water needs in this area **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 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 application. The proposed project funding should be postponed until technical comments have been resolved.
- d. The project to be referred to the Consolidation Committee.

3. Other remarks:

Comment:

This preliminary application appears technically feasible.

This Preliminary Application proposes to extend centralized water service to 35 new customers in the New England Ridge Road Area.

The requested funding package includes an IJDC Critical Needs Funding \$1,415,000.

The total project cost is **\$1,415,000**.

A Total fee waiver **will be** required for this project.

pc: To be distributed at the Funding Committee Meeting

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MEMORANDUM

TO: Meredith J. Vance, Director
Environmental Engineering Division

FROM: Christopher Thomas, EIT.
Infrastructure & Capacity Development

DATE: September 27, 2022

SUBJECT: Lubeck PSD
IJDC Application- **2022W-2203**
New England ridge Road Extension
Wood County

Recommendation:

This preliminary application appears technically feasible and is recommended to be forwarded to the Funding Committee.

Project Scope:

This Preliminary Application proposes to extend centralized water service to 35 new customers in the New England Ridge Road Area. This will involve installation of 13,900 linear feet of 6" PVC line, 2 fire hydrants, 35 water meter settings, and other necessary appurtenances.

The cost per customer is **\$40,430.00** for the project. The total project cost is **\$1,415,000.** (IJDC Critical Needs Funding \$1,415,000).

Need for the Project:

These new customers have expressed concerns with their wells and have requested to be served with centralized water.

Concerns:

None

Permits:

A permit will be required from the WV Bureau for Public Health prior to construction.

Engineering: 7.89% for design, 21.99% for total.

The Design Fees vs. Construction Cost for new construction is between the average complexity curve and the very complex curve. The Total Fees vs. Construction Cost for new construction is above the very complex curve.

A Total fee waiver **will be** required for this project.

Asset Management Plan and Annual Maintenance Audit:

Lubeck PSD preliminary infrastructure application indicates that they are not seeking DWTRF monies. The system indicates in the application that they do have an asset management plan in place. The application indicates that the annual maintenance audit for the current year has been completed.

Capacity Development:

The question about having had a capacity development assessment (CDA) within the last 5 years was marked as N/A. A CDA was performed at the Lubeck PSD in June 2015.

Additional information that may be helpful to the IJDC in their decisions regarding approval of this project relates to the system's overall compliance. The Lubeck PSD has a score of zero on the January 2022 quarter of the EPA's Compliance Tracking Tool (ETT.) The current score is below the EPA's action level of > 11.

Based upon information from the Municipal Bond Commission, as of July 2022, Lubeck PSD is current on their water reserve funding requirements.

Based upon information from the Municipal Bond Commission, as of July 2022, Lubeck PSD is current on their water reserve fund.

IJDC Ranking:

- Public Health Benefit: 5
- Compliance: 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



September 7, 2022

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. 2022W-2203
Lubeck PSD
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, P.E.
Engineering Division

JMF:vb

**PUBLIC SERVICE COMMISSION STAFF
TECHNICAL REVIEW**

DATE: September 6, 2022

PROJECT SPONSOR: LUBECK PUBLIC SERVICE DISTRICT

PROJECT SUMMARY: The proposed project involves construction of approximately 13,900 LF of 6" water line and all necessary appurtenances to extend service to 35 customers along New England Ridge Road.

PROPOSED FUNDING: IJDC Critical Needs Grant \$1,415,000

CURRENT/PROPOSED

RATES:	\$35.53	3,400 gallons
	\$41.80	4,000 gallons

Application No. 2022W-2203

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

FINANCIAL: David L. Acord, II

1. Current rates (\$35.53 for 3,400 gallons) are below the rates attributable to 1.25% (\$50.74), 1.5% (\$60.89), 1.75% (\$71.04), and 2% (\$81.19) of the Median Household Income.
2. For purposes of this review, Staff is assuming 100% grant funding. Therefore, no cash flow is provided.
3. Notes to Comments:
 - A. The Applicant is requesting a waiver of the Rule 42 Exhibit requirement since the project is expected to be funded with 100% grants and no rate increase is needed.
 - B. 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. The project sponsor would

need to have non-restricted funds available to meet the 1/8 requirement, otherwise, they may need to take steps to fund this reserve. This 1/8 requirement, along with any steps taken to fund this reserve, may be evaluated by the Commission in future filings in accordance with Public Service Commission General Order 183.11.

- C. The District should carefully evaluate its revenue requirements before pursuing a rate increase in order to ensure that rates are sufficient to provide a reasonable surplus and meet coverage requirements. Staff notes that the District is a political subdivision of the state and it has at least 4,500 customers and annual gross revenues of \$3 million or more. Therefore, in accordance with Senate Bill 234, effective June 12, 2015, the Commission has no jurisdiction regarding the District's rates pursuant to WV Code 24-2-4a and WV Code 16-13A-9. However, the Commission does have jurisdiction pursuant to WV Code 24-2-1 (b)(6) for the investigation and resolution of disputes involving political subdivisions of the state regarding inter-utility agreements, rates, fees and charges, service areas and contested utility combinations.

ENGINEERING: Jonathan M. Fowler, P.E.

1. This project may not require a Certificate of Convenience and Necessity from the PSC. The utility should consult with Commission Staff pursuant to General Order 246 for such determination. If a Certificate is required, the utility 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). Staff notes that an affirmative determination of need for the project must be established in a Certificate filing at the PSC.
2. Scope: The applicant proposed to extend water service to 35 new customers along New England Road in Wood County. The proposed project involves installation of approximately 13,400 LF of 6" PVC water line, 35 complete water meter settings, one (1) tie-in to existing 6" water line, full assembly installation of fire hydrants, various road and driveway repairs, and other necessary appurtenances. The new water line would tie-in to Lubeck's existing system along New England Ridge Road and extend to the Ohio River.
 - Customer Density: 13.8 customers/mile which is acceptable.

- Cost per Customer: \$40,430 based on a project cost estimate of \$1,415,000 and 35 new customers. This is marginally high but not excessive in this project development environment.
3. Project Feasibility: The project is technically feasible. The cost per customer is marginally high. No signed user agreements were provided. No local funding is proposed.
 4. Project Alternatives: There are no other viable alternatives besides the proposed project.
 5. Consolidation: No consolidation opportunities are presented by the project.
 6. Inconsistencies: No fatal issues were noted.
 7. Operation and Maintenance (O & M) Expenses: The application indicates no increased O&M costs, this is likely an error and should be corrected if the project proceeds forward. (Anticipated revenue must exceed annual O&M for the extension to be self-supporting.)
 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 \$223,000 which is equal to 22% of the construction cost of \$1,014,000 (including contingency).

<i>Preliminary Project Ranking</i>		
O & M Capabilities		
Performance Measures:	1	<i>Pt.</i>
Asset Management:	0	<i>Pt.</i>
Environmental Management:	0	<i>Pt.</i>
Readiness to Proceed:	0	<i>Pt.</i>
Cost Effectiveness:	1	<i>Pt.</i>
Compliance with PSC Orders:	0	<i>Pt.</i>




west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304-2345
Telephone Number: (304) 926-0495
Fax Number: (304) 926-0497

Harold D. Ward, Cabinet Secretary
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: John M. Perkins 
Supervisor
General Permits & Support Team

DATE: August 17, 2022

SUBJECT: Infrastructure Preliminary Application for the Lubeck PSD: England Rd CN in Wood County, WV. (2022W-2203)

We have reviewed the above referenced project application information. The Lubeck PSD, discharges its backwash to its site, which is covered under WV/NPDES Site Registration No. WVG640045, and expires July 18, 2023.

If the Lubeck 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 Lubeck PSD should contact Mr. Jeremy Bandy or a member of his staff at (304)-926-0499, extension 43894 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 Lubeck PSD should contact John Lockhart or a member of his staff at (304)-926-0499, extension 43821 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 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.

JMP:mam

cc: Katheryn Emery



west virginia department of environmental protection

Office of Abandoned Mine Lands & Reclamation
601 57th Street SE
Charleston, WV 25304

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

MEMORANDUM

To: Christopher Thomas, EIT
Infrastructure and Capacity Development

From: Roger A. Earle, P.E., Waterline Coordinator *RAE*
Office of Abandoned Mine Lands & Reclamation

Date: September 14, 2022

Subject: Lubeck PSD – New England Road Extension CN
IJDC Preliminary Application: 2022W-2203

This application would most likely not be eligible for AML funds because there are no known AML sites in this project area.

OEHS District Review for Infrastructure Council Water Projects

Water System:	LUBECK PSD	IJDC Number:	2022W-2203
Project Description:	New England Road CN	Review by:	Bob Smith
County:	Wood	Date:	August 22, 2022

<u>No.</u>	<u>Review Criteria</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Comments (Especially if No is indicated or providing a DWTRF score)</u>
1.	Does the district agree that the project scope seems to be the most feasible solution?	✓			
2.	Is this the most practical project to correct the problem stated in the application?	✓			
3.	Does the project solve the major operation maintenance problems in the water system?	✓			
4.	Does the project eliminate deficiencies noted in the sanitary survey?	✓			
5.	Should these improvements be made to this system versus another system that could serve the same area?	✓			
6.	The application has an alternative in it evaluating the most likely consolidation option?	✓			
7.	Do you agree with the need statement for the project?	✓			
8.	Has the engineer included all justification (that you are aware of) in the project application?	✓			
9.	Is the management of the water system capable of completing this project?	✓			
10.	Other comments				

<u>No.</u>	<u>Review Criteria</u>	<u>Yes</u>	<u>No</u>	<u>N/A</u>	<u>Comments (Especially if No is indicated or providing a DWTRF score)</u>
11.	For new projects or projects with revised scope provide DWTRF Priority Ranking Public Health Score (Indicate score in the comments section with explanation)?				<p style="text-align: center;">DWTRF Priority Ranking Public Health Score</p> <p style="text-align: center;">Public Health Score is: 20</p> <p style="text-align: center;">Compliance Score is: 10</p> <p style="text-align: center;">Affordability Score is: 5</p> <p style="text-align: center;">Total Points: 35</p>
12.	For new projects or projects with revised scope provide DWTRF Priority Ranking Compliance Score (Indicate score in the comments section with explanation)?				



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Ayne Amjad, MD, MPH
Commissioner & State Health Officer

MEMORANDUM

TO: Meredith Vance, Division Director
Environmental Engineering Division

FROM: Valerie Plance, Manager
Capacity Development Program

DATE: August 30, 2022

RE: Lubeck PSD, WV3305404
IJDC Application No.: 2022W-2203
Wood Co

The Lubeck PSD preliminary infrastructure application indicates that they are not seeking DWTRF monies. The system indicates in the application that they do not have an asset management plan.

The question about having had a capacity development assessment (CDA) within the last 5 years was marked as N/A. A CDA was performed at the Lubeck PSD in June 2015.

Additional information that may be helpful to the IJDC in their decisions regarding approval of this project relates to the system's overall compliance. The Lubeck PSD has a score of zero on the January 2022 quarter of the EPA's Compliance Tracking Tool (ETT.) The current score is below the EPA's action level of > 11.

Based upon information from the Municipal Bond Commission, as of July 2022, Lubeck PSD is current on their water reserve funding requirements.

If you require further information from the capacity development program, please contact me.

VAP