



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: Marie Prezioso, Chair

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

Date: August 19, 2025

Subject: Town of Marlinton
IJDC Application - 2025S-2699
Pocahontas Memorial Hospital Wastewater System Relocation 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 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.

- c. ____ The Funding Committee does not need to review the funding assumptions on this project. This project will need to be tabled to give time for the PSC to complete the review.
- d. ____ This project should be referred to the Consolidation Committee.

3. Other remarks:

This project will replace the package plant that serves the Pocahontas Memorial Hospital, Marlinton Middle school, State Police Barracks and the Pocahontas Pharmacy Building. The existing plant has been in operation for over 40 years and is past its useful life.

The Town of Marlinton will need to possess a final title opinion for the new plant property and possess ownership of the plant prior to the project construction in order for the project to decommission the existing plant.

The total cost for this project is \$1,780,000. The Town intends to pursue an \$890,000 IJDC grant, a \$500,000 Pocahontas Co. Commission ARPA grant, and a \$390,000 WDA EEG.

Preliminary Project Ratings:

Public Health Benefits: 5

Compliance with Standards: 5



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH
BUREAU FOR PUBLIC HEALTH
OFFICE OF ENVIRONMENTAL HEALTH SERVICES

Arvin Singh, EdD, MBA, MS, FACHE
Secretary of Health

Jason R. Frame
OEHS Director

MEMORANDUM

TO: Meredith J. Vance, Director
Environmental Engineering Division

FROM: Patrick Murphy, P.E. *PMM*
Environmental Engineering Division

DATE: August 18, 2025

SUBJECT: Town of Marlinton
IJDC Application- **2025S-2699**
Pocahontas Memorial Hospital WWTP
Pocahontas County

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

Project Scope: The project proposes the construction of a new conventional extended aeration plant with a sand filtration system and tablet chlorination to replace the existing system.

The total project cost is **\$1,780,000.00**

Need for the Project: The existing package treatment plant is reaching the end of its useful life; there are signs of corrosion, the metal basins are deteriorating, and the block wall around the sand filters is cracking.

Concerns: No concerns were noted.

Permits: Permits expected to be required include: WVDEP NPDES, WVDEP Construction Stormwater, WV Division of Highways and WV Department of Health.





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

FROM: Spencer Fultineer, DWWM

DATE: July 31, 2025

SUBJECT: Town of Marlinton
IJDC Application - 2025S-2699
Pocahontas Memorial Hospital Wastewater System Relocation Project

RECOMMENDATION

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

PROJECT DESCRIPTION

The Pocahontas County Commission (PCC) owns and operates the Pocahontas Memorial Hospital (PMH) while the Pocahontas County Board of Education owns and operates the adjacent Marlinton Middle school. The sewage from these two entities is treated by a small extended aeration package wastewater treatment plant (WWTP); as well as the sewage from the State Police Barracks and the Pocahontas Pharmacy Building. The WWTP was constructed by the PCC in the mid-1980s and is permitted to treat up to 20,000 gallons per day (GPD); which discharges to Bucks Run per General Permit No. WV010311 (formerly WVG550803).

The proposed project will construct a new WWTP approximately 1000 feet from its current location on to a new parcel of land. The construction of the new WWTP will include a new package unit, manholes, 8" gravity sewer, a gravel driveway to the new plant, and the removal/land reclamation of the existing WWTP. Due to the proximity of the WWTP relocation, no additional customers will be included in the project.

The proposed total cost for this project is \$1,780,000; and the Town of Marlinton intends to pursue a \$890,000 WV IJDC Grant, \$500,000 from the Pocahontas County Commission, and a \$390,000 WDA Economic Enhancement Grant Fund. The proposed monthly rate for 3,400 gallons is \$82.89 (2.45% MHI).

NEED FOR PROJECT

The existing WWTP is over 40 years old and its components are past their useful life. The metal basins are deteriorating; the block wall around the sand filters is cracked, and corrosion is present. In addition to the physical condition of the WWTP, the plant is located on private property. The property's lease agreement included a reversion clause, which the owner recently exercised. As a result, the WWTP needs to be moved to a new property. This project will allow the WWTP to correct violations and continue its operation under the NPDES Permit.

DEFICIENCIES/COMMENTS

- Using the Combined Application, the Design, and Total Engineering Fees appear to be within the ASCE Curves.
- Although the application was submitted by the Town of Marlinton, the existing WWTP and the property that the new plant will be constructed on are owned by the Pocahontas County Commission. The Town of Marlinton will need to possess a final title opinion for the new plant property and possess ownership of the plant **prior** to the project in order for the project to decommission the existing plant.

Preliminary Project Ratings:

Public Health Benefits: 5
Compliance with Standards: 5

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



August 8, 2025

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

Re: Public Service Commission Staff Review Comments
Application No. 2025S-2699
Marlinton, Town of – New Package WWTP (P.M.H.)
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 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
BC

**PUBLIC SERVICE COMMISSION STAFF
TECHNICAL REVIEW**

DATE: August 8, 2025

PROJECT SPONSOR: TOWN OF MARLINTON - SEWER

PROJECT SUMMARY: The Town of Marlinton is proposing to construction a new package wastewater treatment plant, and remove an existing package plant (owned by others). The proposed treatment facility will provide service to approximately 7 customers.

PROPOSED FUNDING:	IJDC Grant	890,000
	WDA EE Grant	390,000
	Pocahontas County Comm. ARPA Grant	<u>500,000</u>
	Total	\$1,780,000

CURRENT RATES:	\$42.94	3,400 Gallons
	\$50.52	4,000 Gallons

PROPOSED RATES:	\$82.89	3,400 Gallons
	\$97.52	4,000 Gallons

	Application No.	2025S-2699
RECOMMENDATION:	<u> X </u>	Forward to the Funding Committee
	<u> </u>	Forward to the Consolidation Committee
	<u> </u>	Return to the Applicant

FINANCIAL: William Nelson

1. Current rates (\$42.94 for 3,400 gallons) are above the rates attributable to 1.25% (\$32.71), and 1.5% (\$39.25) of the Median Household Income (MHI), but below the rates attributable to 1.75% (\$45.79), and 2.0% (\$52.33) of the MHI. Increasing current rates to 1.75% and 2.0% of MHI would provide additional revenues of \$22,197 and \$73,116 respectively.
2. Using Scenario 1, the preferred funding package consisting of an IJDC Grant of \$890,000, a WDA Economic Enhancement Grant of \$390,000, and a Pocahontas County Commission ARPA Grant of \$500,000, proposed rates (\$82.89 for 3,400 gallons) will provide a cash flow surplus of \$14,975 and debt service coverage of 142.69%.

3. Using the Scenario 2 alternate loan package of \$1,280,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), and committed funds consisting of a Pocahontas County Commission ARPA Grant of \$500,000, proposed rates (\$96.19 for 3,400 gallons) will provide a cash flow surplus of \$35,558 and debt service coverage of 142.19%.
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 Cash Flow Statement submitted with the application.
 - C. Staff notes the Applicant is requesting a waiver of Rule 42 Exhibit requirement.
 - D. Senate Bill 234, effective June 12, 2012 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 operations 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.
 - E. Senate Bill 234 (2015) required, pursuant to WV Code 24-2-4b (b), that municipally operated utilities shall consider a reasonable plant-in-service depreciation expense for rates and charges. The project sponsor should take this into consideration when preparing its Rule 42. Municipals that do not provide for a reasonable depreciation expense risk delays in Certificate of Convenience and Necessity filings if rates are determined to not be sufficient.
 - F. Based on the Town's Going Level deficit it should consider pursuing an ordinance to adjust rates and resolve any deficiencies. The Town should carefully evaluate its revenue requirements before passing a rate ordinance in order to ensure that rates are sufficient to provide a reasonable surplus and meet coverage requirements. Calculations to support the revenue projections should also be provided.

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: The Town of Marlinton is proposing to construction a new package wastewater treatment plant, and remove an existing package plant (owned by others). The proposed scope includes: site development for the new package plant, a new 20,000 GPD package treatment plant, installation of the new package plant, 750 LF of 8-inch PVC pipe, 500 tons of Type "C" Trench Repair, 3 manholes, 1 new connection to existing sewer main, 1 abandon existing sanitary sewer line (cut, plug, and grout), removal of existing package plant (owned by others), 100 ton gravel access drive to new wastewater treatment facility, traffic control, construction survey and stakeout, mobilization, and all necessary appurtenances. The estimated construction cost is \$1,300,000 (includes 14.61% construction contingency), and the estimated total project cost is \$1,780,000 (includes 4.35% project contingency).

Need: The PER indicates that the existing package treatment facility has reached the end of its useful life and is located on a leased parcel of property. Additionally, that lease term has expired and the landowner is requesting that the package plant be removed from the property.

Customer Density: This project is an upgrade project; therefore, customer density will remain unchanged.

Cost per Customer: Based upon the estimated total project cost is \$1,780,000, and having approximately 7 customers, the cost per customer will be approximately \$254,286. The cost per customer in terms of proposed borrowing is \$0, as the proposed funding is 100% grant.

3. Project Feasibility: The project appears to be technically feasible and poses little technical risk. However, the treatment capacity of the proposed facility is restricted by the wasteload allocation of the receiving stream. This restriction will limit future growth (additional potential customers) in this service area.
4. Project Alternatives: The PER evaluated three (3) alternates: Alternative #1 – Relocated and Construct a New Wastewater Treatment Facility, Alternative #2 – Transfer the Hospital Sewage System to the Town of Marlinton's Existing Wastewater Treatment Facilities, and Alternative #3 – Do Nothing. The PER states that Alternate #1 was recommended as this option "...is the preferred option primarily due to the urgency to remove the existing treatment plant from the

property it sits on due to the expiration of the lease on that site.”

5. Consolidation: There are no consolidation opportunities presented by this project.
6. Operation and Maintenance (O&M) Expenses: The PER does not include a breakdown of changes to O&M. The PER states “The Town’s accountant is working with the hospital to verify the current (2024-2025) expenses, and to segregate the expenses associated with wastewater treatment. Costs for O&M are not expected to change after the completion of the new facility, since the new facility will essentially duplicate the existing facility in capacity, components and treated flows (no new customers will be served by the project).”
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 \$285,000, which is equal to 21.92% of the construction cost of \$1,300,000 (includes 14.61% construction contingency).
8. Deficiencies/Comments:
 - The PER does not include a breakdown of O&M Expenses. The IJDC Application indicates a \$10,030 increase in “Operation and Maintenance Budget”. Therefore, Staff is unable to determine changes occurring with O&M Expenses, or if the increase shown on the IJDC Application is documented in the financial information provided for review.
 - The capacity of the proposed treatment is restricted due to the wasteload allocation of the receiving stream. This capacity restriction limits future customer growth on the proposed treatment facility. However, the PER does indicate that some additional customer capacity is available as “The average flow of the plant is approximately 3,000 to 5,000 gpd. The package plant is currently permitted to discharge up to 20,000 gpd of treated domestic wastewater...”

**TOWN OF MARLINTON - SEWER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025S-2699
August 8, 2025**

**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	334,332	660,785	(45,828) (1)	614,957
Other Operating Revenue	9,024	15,975	-	15,975
SB 234 Annual Working Cash Collections			45,828 (2)	45,828
Interest Income & Other Misc.	4,818	4,818	-	4,818
Total Cash Available	348,174	681,578	-	681,578
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	229,964	366,621	-	366,621
Taxes	9,302	10,985	-	10,985
Total Cash Requirements Before Debt Service	239,266	377,606	-	377,606
Cash Available for Debt Service (A)	108,908	303,972	-	303,972
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	102,336	213,036	-	213,036
Other Debt	-	-	-	-
Reserve Account @ 10%	3,290	14,360	-	14,360
Renewal & Replacement Fund (2.5%)	8,704	17,039	(1,266) (3)	15,773
Total Debt Service Requirement	114,330	244,435	(1,266)	243,169
SB 234 Cash Working Capital	28,746	45,828	-	45,828
Remaining Cash	(34,168)	13,709	1,266	14,975
Percent Coverage (A) / (B)	106.42%	142.69%		142.69%
Average rate for 3,400 gallons	\$ 42.94	\$ 82.89	\$ -	\$ 82.89
Average rate for 4,000 gallons	\$ 50.52	\$ 97.52	\$ -	\$ 97.52

**TOWN OF MARLINTON - SEWER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025S-2699**

**Attachment A
PREFERRED FUNDING PACKAGE
SCENARIO 1**

Staff Adjustments

<u>Adjustment Description</u>				\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis		614,957	(45,828)
		Per Application with Project		660,785	
	Adjust revenues in accordance with PSC General Order 183.11.				
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis		45,828	45,828
		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		15,773	(1,266)
		Per Application with Project		17,039	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				

**TOWN OF MARLINTON - SEWER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025S-2699
August 8, 2025**

**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	334,332	766,511	(45,930) (1)	720,581
Other Operating Revenue	9,024	18,284	-	18,284
SB 234 Annual Working Cash Collections			45,930 (2)	45,930
Interest Income & Other Misc.	4,818	4,818	-	4,818
Total Cash Available	348,174	789,613	-	789,613
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	229,964	367,441	-	367,441
Taxes	9,302	11,344	-	11,344
Total Cash Requirements Before Debt Service	239,266	378,785	-	378,785
Cash Available for Debt Service (A)	108,908	410,828	-	410,828
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	102,336	316,033	(27,113) (3)	288,920
Other Debt	-	-	-	-
Reserve Account @ 10%	3,290	24,660	(2,712) (4)	21,948
Renewal & Replacement Fund (2.5%)	8,704	19,740	(1,268) (5)	18,472
Total Debt Service Requirement	114,330	360,433	(31,093)	329,340
SB 234 Cash Working Capital	28,746	45,930	-	45,930
Remaining Cash	(34,168)	4,465	31,093	35,558
Percent Coverage (A) / (B)	106.42%	130.00%		142.19%
Average rate for 3,400 gallons	\$ 42.94	\$ 96.19	\$ -	\$ 96.19
Average rate for 4,000 gallons	\$ 50.52	\$ 113.16	\$ -	\$ 113.16

**TOWN OF MARLINTON - SEWER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025S-2699**

**Attachment B
LOAN PACKAGE
SCENARIO 2**

Staff Adjustments

<u>Adjustment Description</u>			
		\$	Increase <Decrease>
(1) Operating Revenues	Per Staff Analysis	720,581	(45,930)
	Per Application with Project	766,511	
Adjust revenues in accordance with PSC General Order 183.11.			
(2) SB 234 Annual Working Cash Collections	Per Staff Analysis	45,930	45,930
	Per Application with Project	-	
Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3) Principal & Interest	Per Staff Analysis	288,920	(27,113)
	Per Application with Project	316,033	
The difference in P&I is related to Staff's calculation of a loan of \$1,280,000 for 40 years (paid back over 38 years) at 5%.			
(4) Reserve Account @ 10%	Per Staff Analysis	21,948	(2,712)
	Per Application with Project	24,660	
Staff assumed a 10% reserve on the new debt.			
(5) Renewal & Replacement Fund (2.5%)	Per Staff Analysis	18,472	(1,268)
	Per Application with Project	19,740	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			