



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 Vance *MV*
Water Technical Review Committee

DATE: June 28, 2022

RE: Mercer County PSD
IJDC Preliminary Application Number: **2022W-2110**
Pocahontas Waterline Replacement Project – WV Area
Mercer 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:

PSC Comments:

- A. Project Feasibility: This project appears to be technically feasible and poses little technical risk.
- B. Mercer County Public Service District has no rates, no tariff and does not file an annual report with the PSC. Therefore, Staff has not completed a financial analysis for this project.

The water provider is the Tazewell County (Virginia) Public Service Authority (TCPSA), which serves approximately 136 customers in West Virginia. The Public Service Commission of WV (PSC) approved the TCPSA's acquisition of the Town of Pocahontas (Virginia) water distribution system in Case No. 15-0908 W-PC. The PSC noted in its Order for the reopened case, dated April 16, 2019, that it also grants a request to waive its jurisdiction, as permitted by WV Code 24 2-1(c), over the operations of TCPSA to deliver water service to former Town of Pocahontas customers who reside in Mercer County, WV. The PSC further noted that it may revoke this waiver of jurisdiction for good cause.



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MEMORANDUM

TO: Meredith Vance
Infrastructure & Capacity Development

FROM: Christopher Thomas, EIT
Infrastructure & Capacity Development

DATE: June 28, 2022

SUBJECT: IJDC Application- 2022W-2110
Mercer County PSD
Pocahontas Waterline Replacement Project – WV Area
Mercer County

Recommendation:

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

Project Scope:

This project will replace waterline on the West Virginia side of the water system. Included in the project will be the installation of approximately 9.4 miles of 8-inch waterline, 0.63 miles of 4-inch waterline, 0.1 miles of 2-inch waterline, and 0.67 miles of ¾-inch waterline. Also included will be 142 service meters, 31 fire hydrants, and all other necessary valves and appurtenances.

The cost per customer is **\$59,263** for the project. The total project cost is **\$8,119,000**

DWTRF Principal Forgiveness: \$1,000,000; Virginia Department of Health Grant: \$5,619,000; IJDC District 3 Grant: \$500,000; ARPA Grant: \$1,000,000.

Need for the Project:

The waterline replacements and upgrades are needed to correct areas that are experiencing high rates of leaks and breakages. Replacing the waterlines should lower the water loss and improve the overall reliability of the water system.

Concerns:

1. At this time, there is no current PWSID associated with the Mercer County PSD. The referenced project would create a new system. There is no New Community Water System

Capacity Development Questionnaire on file for this system. A Capacity and Development Questionnaire is needed for all new community and non-transient non-community water systems in the State of West Virginia. A questionnaire was submitted for this system. The Mercer County PSD would encompass the area currently served by the Pinnacle Water Association (PWSID 3302828.)

2. Status of the Pinnacle Water Association. They have received two Administrative Orders in the year 2020 and currently has an ETT of 97 on the January 2022 quarterly report. This score is derived from multiple violations. Per their 2021 Sanitary Survey, the system has failed to complete any of its mandated testing since 2019, has failed to submit an MOR for multiple years, and has failed to address sanitary survey deficiencies. In addition, the system has multiple violations for the public notice rule. The system's ETT score is above the EPA requirement of <11.

Permits:

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

Construction activities with a disturbed area of one (1) acre or greater are required to register for the NPDES Storm Water Construction General Permit No. WV0115924.

A permit for stream crossings may be required.

A Certificate of Convenience and Necessity will be required from the PSC.

A permit from the WV Division of Highways will be required for the construction activities that will take place within WVDOH right-of-way.

Engineering: 5.96% for design, 17.16% for total.

The Design Fees vs. Construction Cost for new construction is below both the average complexity curve and the very complex curve. The Design Fees vs. Construction Cost for modifications is below both the average complexity curve and the very complex curve.

The Total Fees vs. Construction Cost for new construction is above both the average complexity curve and the very complex curve. The Total Fees vs. Construction Cost for modified construction is above the average complexity curve and below the very complex curve.

A Total Fee waiver will not be required for this project.

Asset Management Plan and Annual Maintenance Audit:

The Preliminary Application indicates that the PSD does have an asset management plan. There is no asset management plan on file with the BPH for the Pinnacle Water Association. The application indicates that the PSD has completed the annual maintenance audit for the current year.

Capacity Development:

At this time, there is no current PWSID associated with the Mercer County PSD. The referenced project would create a new system. There is no New Community Water System Capacity Development Questionnaire on file for this system. A Capacity and Development Questionnaire is needed for all new community and non-transient non-community water systems in the State of West Virginia. A questionnaire was submitted for this system. The Mercer County PSD would encompass the area currently served by the Pinnacle Water Association (PWSID 3302828.)

They indicated that they have participated in a Capacity and Development Assessment (CDA) in the last five years. The last CDA of the Pinnacle Water Association took place in May 2013.

The Pinnacle Water Association received two Administrative Orders in the year 2020 and currently has an ETT of 97 on the January 2022 quarterly report. This score is derived from multiple violations. Per their 2021 Sanitary Survey, the system has failed to complete any of its mandated testing since 2019, has failed to submit an MOR for multiple years, and has failed to address sanitary survey deficiencies. In addition, the system has multiple violations for the public notice rule. The system's ETT score is above the EPA requirement of <11.

The system is current on all bond requirements per the Municipal Bond Commission, as of May 2022.

IJDC Ranking:

- Public Health Benefit: 5
- Compliance: 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

Stephanie D. Hickerson
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-2110
Mercer County PSD (Water)
Infrastructure Preliminary Application

Dear Ms. Hickerson:

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,

A handwritten signature in blue ink that reads 'Jonathan M. Fowler'.

Jonathan M. Fowler, P.E.
Engineering Division

JMF:vb

**PUBLIC SERVICE COMMISSION STAFF
TECHNICAL REVIEW**

DATE: June 10, 2022

PROJECT SPONSOR: MERCER COUNTY PUBLIC SERVICE DISTRICT

PROJECT SUMMARY: A joint venture between the Mercer County Public Service District and Tazewell County Public Service Authority to replace and upgrade the existing water lines in the West Virginia portion of the Pocahontas Water System in order to significantly reduce water loss and allow for the installation of fire hydrants in the area.

PROPOSED FUNDING: IJDC District 3 Grant	\$ 500,000
DWTRF Forgivable Loan	1,000,000
Mercer County Match (ARPA)	<u>1,000,000</u>
Total	\$ 2,500,000

CURRENT/PROPOSED

RATES:	\$0.00	3,400 gallons
	\$0.00	4,000 gallons

Application No. 2022W-2110

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

FINANCIAL: Nathan Nelson

1. Mercer County Public Service District has no rates, no tariff and does not file an annual report with the PSC. Therefore, Staff has not completed a financial analysis for this project.
2. The water provider is the Tazewell County (Virginia) Public Service Authority (TCPSA), which serves approximately 136 customers in West Virginia. The Public Service Commission of WV (PSC) approved the TCPSA's acquisition of the Town of Pocahontas (Virginia) water distribution system in Case No. 15-0908-W-PC. The PSC noted in its Order for the reopened case, dated April 16, 2019, that it also grants a request to waive its jurisdiction, as permitted by WV Code 24-2-1(c), over the operations of TCPSA to deliver water service to former Town of

Pocahontas customers who reside in Mercer County, WV. The PSC further noted that it may revoke this waiver of jurisdiction for good cause.

3. This line replacement project is a joint venture between the Mercer County PSD and the TCPSA and is estimated to cost \$8,119,000. The West Virginia contribution towards the project includes an IJDC District 3 grant of \$500,000, a DWTRF Forgivable Loan of \$1,000,000 and a Mercer County contribution of \$1,000,000. The Virginia Department of Health is also contributing a grant of \$5,619,000. The customers served by this project will pay the rates of TCPSA which are currently \$51.87 (3,400 gallons).

ENGINEERING: Mansour Mashayekhi

1. This project will require a Certificate of Convenience and Necessity from the PSC. The project sponsor 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) et seq.
2. **Scope:** The Pocahontas service area includes areas in Virginia and West Virginia. Currently there are 137 connections in the West Virginia portion of the Pocahontas service area and 250 connections in the Virginia portion of Pocahontas. Out of the connections in West Virginia currently 136 of those connections are active. The Pocahontas service area includes areas in Virginia and West Virginia. The project proposes to replace the waterlines in a two (2) phased replacement project with upsizing lines include fire protection. Phase-I of the proposed project includes 24,697 L.F. of 8 – inch, 2,196 L.F. of 4 –inch waterline, and associated appurtenances. Phase II of the proposed project includes 24,485 L.F. of 8 – inch, 1,107 L.F. of 4 – inch waterline, and associated appurtenances. The estimated cost of the project is \$8,119,000. The proposed funding includes the following: a DWTRF Principal Forgiveness amount of \$1,000,000 and a Virginia Dept of Health Grant of \$5,619,000, ARPA Grant of \$1,000,0000 and an IJDC District-3 Grant of \$500,000.
3. **Need for Project:** The results of the leakage testing conducted in March 2021 indicates that a higher than average residential consumption is occurring in the Yards area and could indicate inaccurate or dysfunctional residential meters. The poor conditions of the water lines in the Pocahontas service area have been well documented in reports. The Bluestone/Railroad area appears to have high water leakage, between May 2020 through August 2020 and March/February 2021 leakage was 86%. Therefore, it is recommended that the TCPSA replace water lines in those areas.

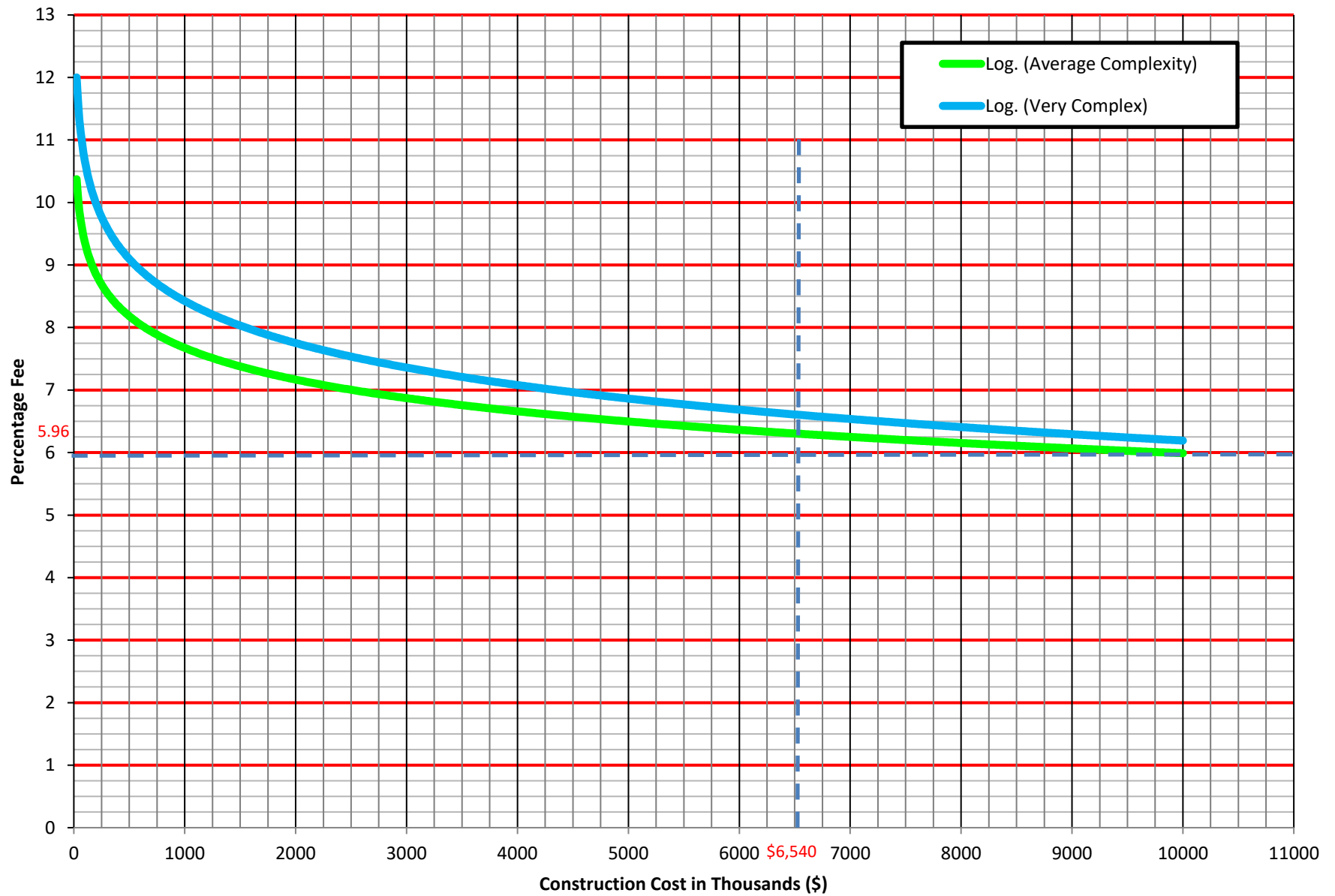
4. **Customer Density:** The project is a replacement of existing lines, therefore, customer density will remain unchanged.
5. **Cost per Customer:** Based upon the estimated project cost of \$8,119,000, and having approximately 136 existing customers in West Virginia, the cost-per-customer is approximately \$59,699. However, this project is entirely grant funded, therefore, current customers bear no capital project cost expenses.
6. **Project Feasibility:** This project appears to be technically feasible and poses little technical risk.
7. **Project Alternatives:** The alternatives evaluated for this project include the following: replacing the waterlines with the same size pipes as existing lines, upsizing waterlines to provide fire protection to all residents in Nemours project area, or do nothing. The project itself will consist of replacing the existing distribution system's waterlines in the same location as the existing waterlines are currently located. The project also proposes replacing the existing water meters with the same meters. The TCPSA in Virginia, for consistency reasons is using the same water meters throughout its entire system to make the operation & maintenance (O&M) easier.
8. **Permits Required:** Following permits for construction, operation, and maintenance (O&M) of the system are required: Bureau for Public Health Construction Permit, U.S. Army Corp of Engineers Stream Crossing Authorization, Public Land Corporation Right of Entry, West Virginia Division of Highway Utility Permit, West Virginia Department of Environmental Protection – NPDES permit, Norfolk Southern Railroad Permit, West Virginia Department of Interior Fish and Wildlife, West Virginia Department of Natural Resources Endangered Species, West Virginia Air Quality Board, West Virginia Division of Culture and History, and United States Department of Agriculture Farmlands Conversion.
9. **Consolidation:** There are no consolidation issues with the selected alternative.
10. **Inconsistencies:** None was noticed for this project.
11. **Operation and Maintenance (O&M) Expenses:** The project's O&M expenses are expected to remain unchanged.

12. **Engineering Agreement:** The applicant has provided documentation relative to compliance with West Virginia Code §5G-1-1, et seq. Based on the filing, the total design fees for engineering are \$390,000 at construction cost of \$6,540,000. This is approximately 5.96% of the construction costs as shown on the application.

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

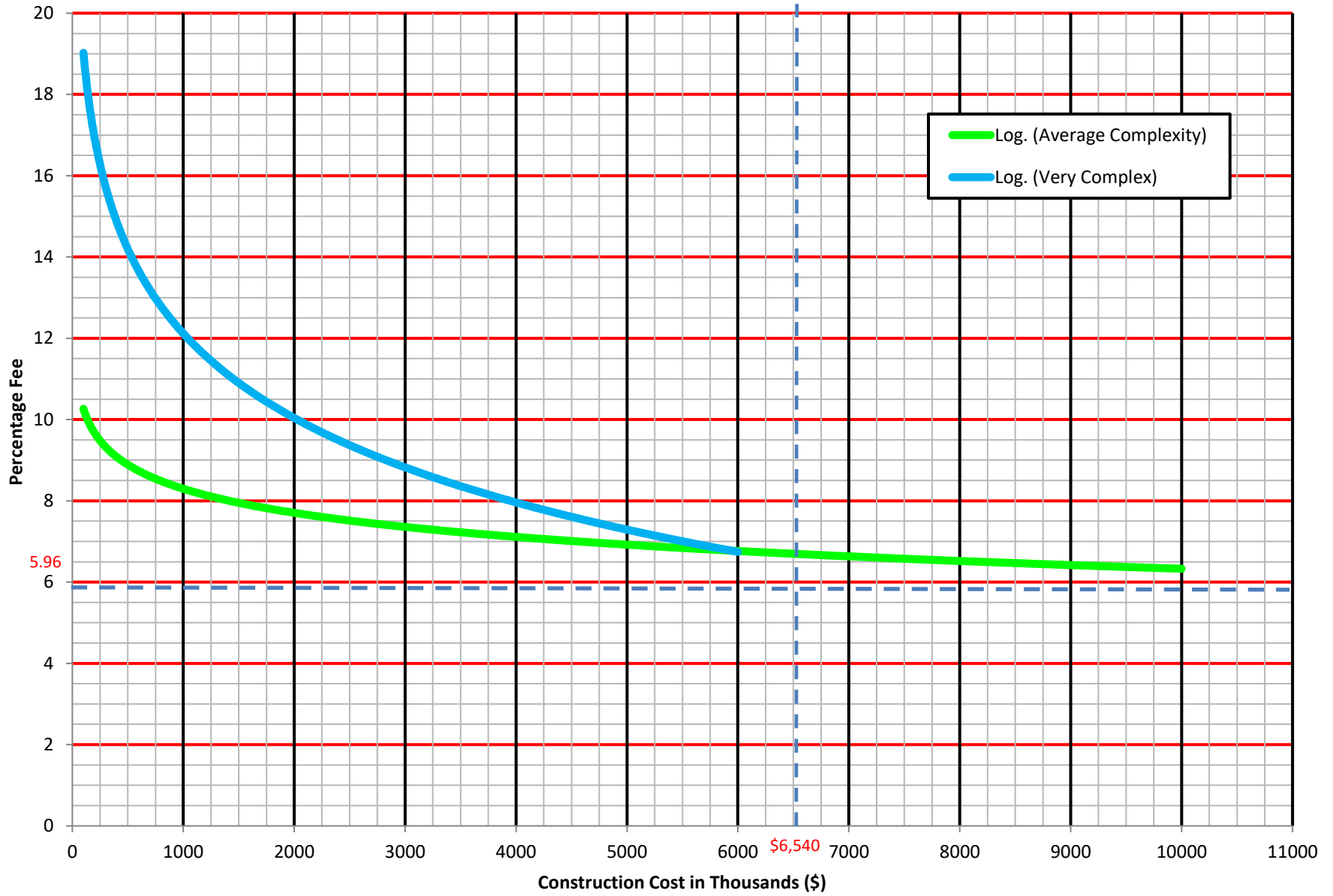
Graph 1. Design Fee vs. Construction Cost for New Construction

Mercer Co. PSD 2022W-2110



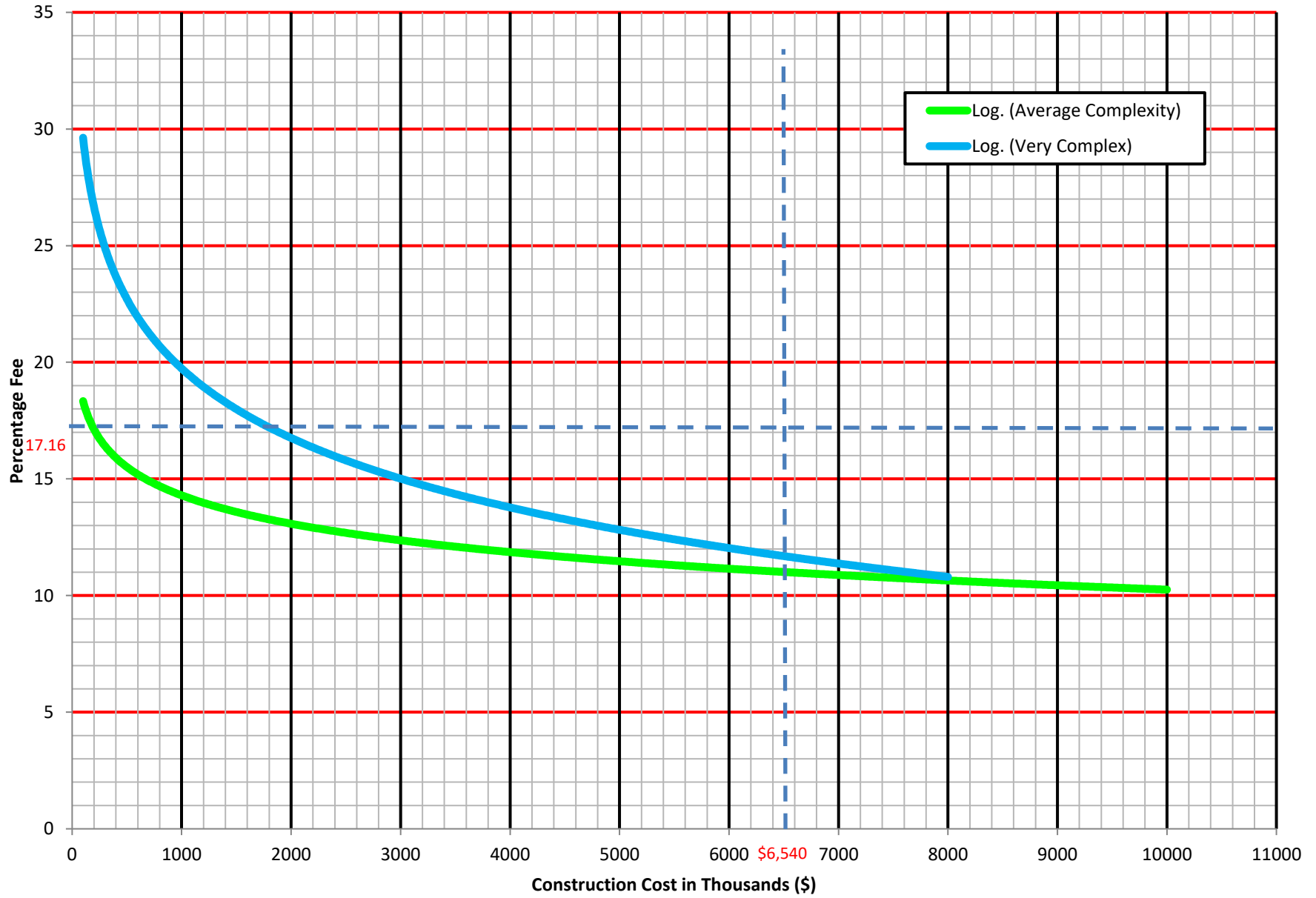
Graph 2. Design Fee vs. Construction Costs for Modifications

Mercer Co. PSD 2022W-2110



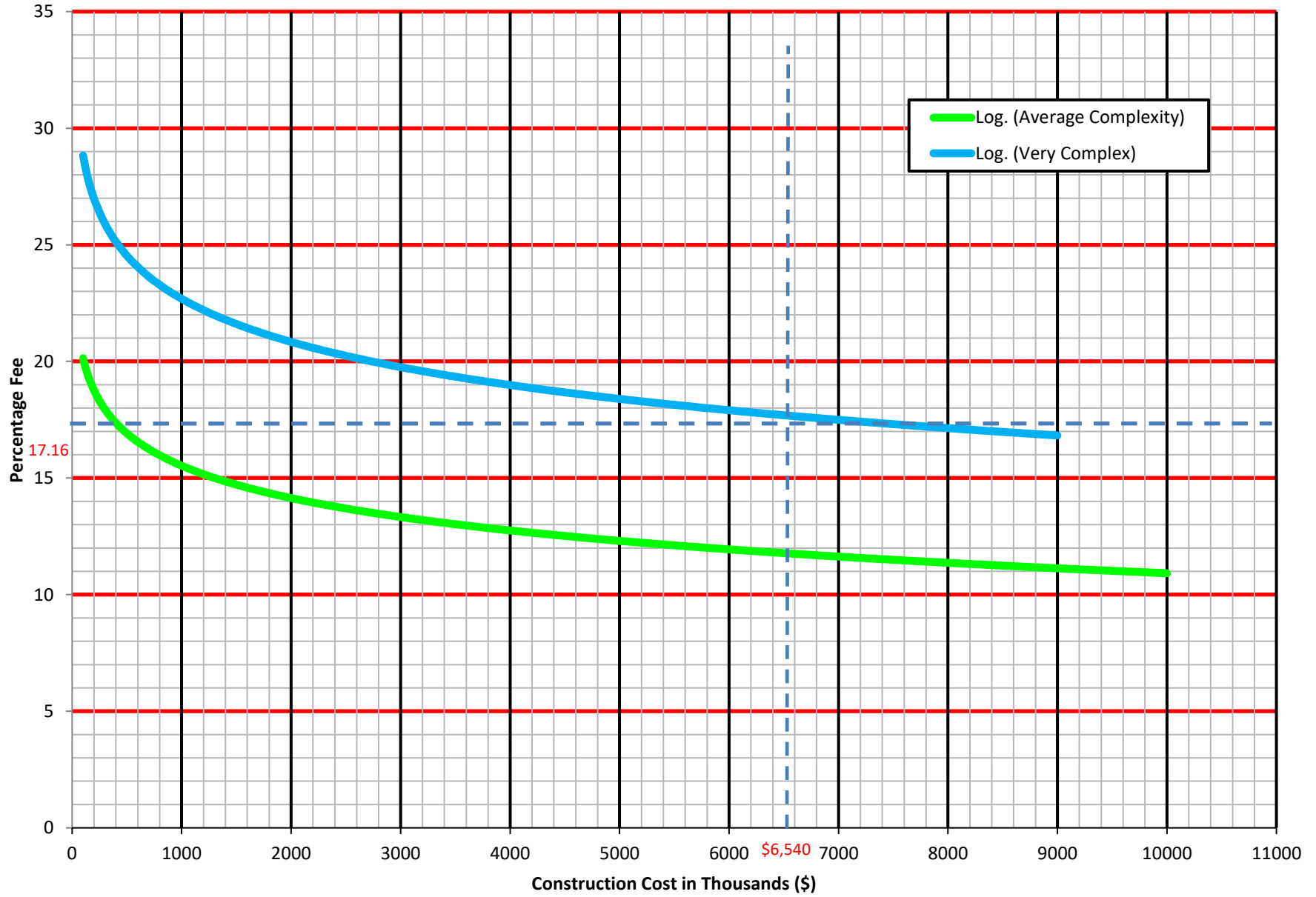
Graph 3 Total Fee vs. Construction Cost for New Construction

Mercer Co. PSD 2022W-2110



Graph 4 Total Fee vs. Construction Cost for Modifications

Mercer Co. PSD 2022W-2110






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

MEMORANDUM

MEMO TO: Stephanie D Hickerson, P. E.
Office of Environmental Health Services
Bureau for Public Health

FROM: John M. Perkins 
Supervisor
General Permits & Support Team

DATE: May 17, 2022

SUBJECT: Infrastructure Preliminary Application for the Mercer Co PSD (2022W-2110):
Pocahontas System Improvements in Mercer County, WV.

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

If the Mercer 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 Mercer Co 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 sand blasting. If it is determined that the paint is not hazardous, the Mercer Co PSD should contact Yogesh Patel or a member of his staff at (304)-926-0499, extension 43877 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: Stephanie Hickerson, P.E., Manager
Infrastructure and Capacity Development

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

Date: June 14, 2022

Subject: Mercer County PSD – Pocahontas System Improvements
IJDC Preliminary Application: 2022W-2110

AML does not participate in routine improvements or replacement of existing systems. Therefore, AML funds will not be available for this project.

OEHS District Review for Infrastructure Council Water Projects

Water System:	Mercer Co PSD	IJDC Number:	2022W-2110
Project Description:	Pocahontas System Improvements	Review by:	J.D. Douglas
County:	Mercer	Date:	06/06//22

<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?	X			
2.	Is this the most practical project to correct the problem stated in the application?	X			
3.	Does the project solve the major operation maintenance problems in the water system?	X			Replace old line
4.	Does the project eliminate deficiencies noted in the sanitary survey?	X			Water loss
5.	Should these improvements be made to this system versus another system that could serve the same area?	X			
6.	The application has an alternative in it evaluating the most likely consolidation option?	X			
7.	Do you agree with the need statement for the project?	X			
8.	Has the engineer included all justification (that you are aware of) in the project application?	X			
9.	Is the management of the water system capable of completing this project?	X			
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)?				
12.	For new projects or projects with revised scope provide DWTRF Priority Ranking Compliance Score (Indicate score in the comments section with explanation)?				
13.					
14.					



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MEMORANDUM

TO: Meredith Vance, Director
Environmental Engineering Division

FROM: Valerie A. Plance, ERS III
Capacity Development Program

DATE: June 15, 2022

RE: Mercer County PSD
IJDC Application No.: 2022W-2110
Mercer County

At this time, there is no current PWSID associated with the Mercer County PSD. The referenced project would create a new system. There is no New Community Water System Capacity Development Questionnaire on file for this system. A Capacity and Development Questionnaire is needed for all new community and non-transient non-community water systems in the State of West Virginia. A questionnaire was submitted for this system. The Mercer County PSD would encompass the area currently served by the Pinnacle Water Association (PWSID 3302828.)

The system indicates in their preliminary application that they are seeking DWTRF funds. The system stated in their application that they do have an asset management program. There is no asset management plan on file with the BPH for the Pinnacle Water Association. They also indicated that they have participated in a Capacity and Development Assessment (CDA) in the last five years. The last CDA of the Pinnacle Water Association took place in May 2013.

The Pinnacle Water Association received two Administrative Orders in the year 2020 and currently has an ETT of 97 on the January 2022 quarterly report. This score is derived from multiple violations. Per their 2021 Sanitary Survey, the system has failed to complete any of its mandated testing since 2019, has failed to submit an MOR for multiple years, and has failed to address sanitary survey deficiencies. In addition, the system has multiple violations for the public notice rule. The system's ETT score is above the EPA requirement of <11.

The system is current on all bond requirements per the Municipal Bond Commission, as of May 2022.

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

VAP