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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

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

**Date:** December 12, 2024

**Subject:** Parkersburg Utility Board  
IJDC Application - 2024S-2637  
Lee's Hill Sanitary Sewer Improvements

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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 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 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:

The proposed project will extend sanitary sewer service to support new residential development in the Lee's Hill area just outside of Parkerburg. The new development proposes to construct 450 new housing units in this area.

The proposed total cost for this project is \$5,523,000. PUB intends to pursue a \$500,000 IJDC Grant, a \$2,750,000 WDA Economic Enhancement Grant, a \$1,000,000 WVEDA Grant, and a \$1,273,000 Developer Contribution.

Using the Combined Application, the Engineering Fees appear to be within the ASCE curve.

Preliminary Project Ratings:

Public Health Benefits: 15  
Compliance with Standards: 5



Sherrri A. Young, DO, MBA, FAAFP  
Cabinet Secretary

Jason R. Frame  
OEHS Director

## **MEMORANDUM**

**TO:** Jason Billups, P.E.  
DEP/Infrastructure Sewer Technical Review Committee

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

**DATE:** December 13, 2024

**SUBJECT:** Parkersburg Utility Board (Lee's Hill)  
IJDC Application- **2024S-2637**  
Sewer Line Extension Project  
Wood County

### **Recommendation:**

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

### **Project Scope:**

This project proposed to extend sanitary sewer service to support a new residential development consisting of 450 potential housing units. The wastewater collected from this new development will travel approximately 1,500 linear feet downhill through a sewer line flowing through several manholes, installed using directional drilling to minimize surface disturbance and optimize alignment with existing site conditions and open cut where the existing ground levels out. The sanitary sewer line conveys the wastewater into the proposed Lee's Hill pumping station, and then through 4,050 linear feet of forced main connecting to the existing sanitary sewer system.

The total project cost is **\$5,523,000**. (WDA Economic Enhancement Grant: **\$2,750,000**, City and Developer Grant: **\$1,273,000**, WV EDA Grant: **\$1,000,000**, and IJDC Grant: **\$500,000**)

### **Need for the Project:**

Presently, there is no wastewater collection system on the development site. This project will expand PUB's sanitary sewer service area to the new residential development so that wastewater can be safely conveyed off-site



Parkersburg Utility Board

2024S-2637

December 13, 2024

Page 2

to the WWTP to be treated.

**Concerns:**

No concerns noted.

**Permits:**

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

WV DEP's Construction Storm Water General Permit

WV Department of Highways Permits

CSX Railroad Utility Permit

United States Army Corps of Engineers Permit

West Virginia State Historic Preservation Office

West Virginia Department of National Resources Stream Crossing Permit



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Harold D. Ward, Cabinet Secretary  
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**MEMORANDUM**

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

**FROM:** Jesse Rupe, P.E., DWWM

**DATE:** December 10, 2024

**SUBJECT:** Parkersburg Utility Board  
IJDC Application - 2024S-2637  
Lee's Hill Sanitary Sewer Improvements

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**RECOMMENDATION**

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

**PROJECT DESCRIPTION**

Parkersburg Utility Board (PUB) owns and operates a combined sewer collection system and a 15.5 million gallon per day (MGD) wastewater treatment plant (WWTP) in Wood County, West Virginia. PUB provides wastewater service to approximately 15,335 total customers, including one resale customer.

The proposed project will extend sanitary sewer service to support new residential development in the Lee's Hill area just outside of Parkerburg. The new development proposes to construct 450 new housing units. Construction of the proposed project will consist of the installation of a new gravity sewer line that will connect to a proposed location with the development's construction and convey flow to a new pump station. Flow will be collected at the new lift station and conveyed through a new force main to PUBs existing system for further conveyance to the WWTP. Proposed construction of the new force main will also consist of a highway and creek crossing.

The proposed total cost for this project is \$5,523,000. PUB intends to pursue a \$500,000 WV IJDC Grant, a \$2,750,000 WDA Economic Enhancement Grant, a \$1,000,000 WVEDA Grant, and a \$1,273,000 Developer Contribution. The proposed monthly rate for 3,400 gallons is \$48.11 (1.53% MHI).

### **NEED FOR PROJECT**

The proposed project area currently does not have access to public wastewater treatment. There is a proposed housing development that will construct approximately 450 new housing units, wanting to begin construction in the project area immediately. PUB's collection system will need to be extended to the east along Staunton Turnpike to a proposed connection point with the new development to be able to provide sanitary sewer service to the area.

### **DEFICIENCIES/COMMENTS**

- Using the Combined Application, the Design, and Total Engineering Fees appear to be within the ASCE Curves.
- The PER should include further documentation to confirm that the developer is going to begin work on the development.
- The proposed future customer count from the application and PER do not match the only documentation for customer counts provided by the developer. The PER and application state that the development will contain 450 new housing units. The only information provided in the PER from the developer is a preliminary site map that only shows the construction of 196 single wide trailer units.
- Proposed flow projections and future customer counts need to be verified. If there will only be 196 new units and not the planned 450 future customers, then the proposed pump station and force main could be oversized and could potentially lead to operational problems in the future.

#### **Preliminary Project Ratings:**

Public Health Benefits: 15  
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



December 12, 2024

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

Re: Public Service Commission Staff Review Comments  
Application No. 2024S-2637  
Parkersburg Utility Board - Sewer System Extension  
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:

- Forward the Application
- Return the Application
- 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:** December 12, 2024

**PROJECT SPONSOR:** PARKERSBURG UTILITY BOARD – SEWER

**PROJECT SUMMARY:** This project will serve a new, proposed development having a projected 450 housing units within the PUB service area.

<b>PROPOSED FUNDING:</b> WDA Economic Enhancement Grant	\$2,750,000
City/Developer Grants	1,273,000
WV EDA Grant	1,000,000
IJDC District 1 Grant	<u>500,000</u>
Total	\$ 5,523,000

**CURRENT RATES:** \$40.39 3,400 gallons  
\$44.44 4,000 gallons

**PROPOSED RATES:** \$48.41 3,400 gallons  
\$53.26 4,000 gallons

Application No. 2024S-2637

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

**FINANCIAL: Dave Acord**

1. Current rates (\$40.39 for 3,400 gallons) are above the rate attributable to 1.25% (\$39.51) of the Median Household Income (MHI), but below the rates attributable to 1.5% (\$47.42), 1.75% (\$55.32) and 2.0% (\$63.22) of the MHI. Increasing current rates to 1.5%, 1.75% and 2.0% of the MHI would provide additional revenues of \$1,583,248, \$3,363,992 and \$5,144,736 respectively.
2. Using Scenario 1, the preferred funding package consisting of a WDA Economic Enhancement Grant of \$2,750,000, City/Developer Grant of \$1,273,000, WV EDA Grant of \$1,000,000, and an IJDC Grant of \$500,000, proposed rates (\$48.41 for 3,400 gallons) will provide a cash



flow surplus of \$898,907 and debt service coverage of 142.23%.

3. Using the Scenario 2 alternate loan package of \$5,523,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates (\$48.85 for 3,400 gallons) will provide a cash flow surplus of \$515,481 and debt service coverage of 131.83%.

#### 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 applicant's cash flow provided in the filing for the Fiscal Year Ended June 30, 2024. The cash flows provided by the project sponsor included adjustments associated with IJDC Application Nos. 2019S-1841, 2019S-1842, 2022S-2182, 2022S-2251, and this application (2024S-2637).
- C. The applicant's Annual Report for the Fiscal Year Ended June 30, 2024, hasn't been filed with the Commission as of December 10, 2024.
- D. It should be noted that the applicant requested a waiver of the Rule 42 requirement since the project is proposed be entirely grant funded. Staff has no objection to this request.
- E. The applicant is proposing to increase rates to \$48.41 (3,400 gallons) in its application. As of December 10, 2024, an ordinance to increase its rates hasn't been filed with the Commission.
- F. 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.
- G. The City of Parkersburg (City) 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. Staff notes that the City 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 City's rates pursuant to WV Code 24-2-4b. 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 will not require a Certificate of Convenience and Necessity from the PSC.
2. Scope: The Parkersburg Utility Board (PUB) proposes to construct a sewer system extension to serve an estimated 450 new, residential customers in the Lee's Hill area near WV Rt. 47 between I-77 and US Rt. 50 (serving a proposed development). Treatment will be provided by the existing PUB WWTP which is reported to have adequate, excess capacity to serve this additional load. The project includes a new sewage pumping station (470 gpm capacity), about 1,400 LF of new 10" gravity sewers (open cut and HDD), about 2,950 LF of 6" force main and about 850 LF of 8" HDD line and, necessary appurtenances and items of surface restoration.

Cost per Customer: Based on 450 new, potential customers and an estimated project cost of \$5,523,000 the cost is about \$12,300 per customer; this is considered acceptable.

3. Project Feasibility: The project is technically feasible and carries little technical or implementation risk.
4. Project Alternatives: Other than alternative line routing and pump station location, no other practical alternatives are available for this simple line extension project. The proposed routing and pump station location was determined by logical analysis to be the most advantageous and Staff has no objection to the selected alternative.
5. Consolidation: No consolidation opportunities are presented by the project.
6. Inconsistencies: None were noted.

7. Operation and Maintenance (O & M) Expenses: O & M expenses are projected to increase by \$21,570 at full build-out of the proposed development. PUB should provide allowances for such increase in any municipal rate ordinances proposed going forward.
  
8. Engineering Agreement: The application includes information to determine apparent compliance with West Virginia Code §§5G-1-1, et seq. Total technical services (engineering) costs for the project are \$559,000 which is equal to 12% of the estimated construction cost of \$4,668,000 (including 15% construction contingency).

PARKERSBURG UTILITY BOARD - SEWER  
CASH FLOW ANALYSIS  
YEAR ENDED: June 30, 2024  
APPLICATION NO: 2024S-2637  
December 12, 2024

**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	9,101,214	10,717,160	(631,873) (1)	10,085,287
Other Operating Revenue	366,663	366,663	-	366,663
SB 234 Annual Working Cash Collections			631,873 (2)	631,873
Interest Income & Other Misc.	685,858	685,858	-	685,858
<b>Total Cash Available</b>	<b>10,153,735</b>	<b>11,769,681</b>	<b>-</b>	<b>11,769,681</b>
<b>OPERATING DEDUCTIONS</b>				
Operating Expenses	4,713,651	5,054,983	-	5,054,983
Taxes	-	-	-	-
<b>Total Cash Requirements Before Debt Service</b>	<b>4,713,651</b>	<b>5,054,983</b>	<b>-</b>	<b>5,054,983</b>
Cash Available for Debt Service (A)	5,440,084	6,714,698	-	6,714,698
<b>DEBT SERVICE REQUIREMENTS</b>				
Principal & Interest (B)	3,453,064	4,721,034	-	4,721,034
Other Debt	-	-	-	-
Reserve Account @ 10%	74,789	126,797	74,789 (3)	201,586
Renewal & Replacement Fund (2.5%)	253,843	294,242	(32,943) (4)	261,299
<b>Total Debt Service Requirement</b>	<b>3,781,696</b>	<b>5,142,073</b>	<b>41,846</b>	<b>5,183,919</b>
SB 234 Cash Working Capital	589,206	631,873	-	631,873
<b>Remaining Cash</b>	<b>1,069,182</b>	<b>940,752</b>	<b>(41,846)</b>	<b>898,907</b>
Percent Coverage (A) / (B)	157.54%	142.23%		142.23%
Average rate for 3,400 gallons	\$ 40.39	\$ 48.41	\$ -	\$ 48.41
Average rate for 4,000 gallons	\$ 44.44	\$ 53.26	\$ -	\$ 53.26

**Staff Adjustments**

<u>Adjustment Description</u>		\$	Increase <Decrease>
<b>(1) Operating Revenues</b>	<b>Per Staff Analysis</b>	<b>10,085,287</b>	<b>(631,873)</b>
	<b>Per Application with Project</b>	<b>10,717,160</b>	
Adjust revenues in accordance with PSC General Order 183.11.			
<b>(2) SB 234 Annual Working Cash Collections</b>	<b>Per Staff Analysis</b>	<b>631,873</b>	<b>631,873</b>
	<b>Per Application with Project</b>	<b>-</b>	
Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
<b>(3) Reserve Account @ 10%</b>	<b>Per Staff Analysis</b>	<b>201,586</b>	<b>74,789</b>
	<b>Per Application with Project</b>	<b>126,797</b>	
Staff assumed a 10% reserve on the new debt plus the existing debt service requirement not included in the applicant's cash flow.			
<b>(4) Renewal &amp; Replacement Fund (2.5%)</b>	<b>Per Staff Analysis</b>	<b>261,299</b>	<b>(32,943)</b>
	<b>Per Application with Project</b>	<b>294,242</b>	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

PARKERSBURG UTILITY BOARD - SEWER  
 CASH FLOW ANALYSIS  
 YEAR ENDED: June 30, 2024  
 APPLICATION NO: 2024S-2637  
 December 12, 2024

**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><u>AVAILABLE CASH</u></b>				
Operating Revenues	9,101,214	10,817,160	(631,873) (1)	10,185,287
Other Operating Revenue	366,663	366,663	-	366,663
SB 234 Annual Working Cash Collections			631,873 (2)	631,873
Interest Income & Other Misc.	685,858	685,858	-	685,858
<b>Total Cash Available</b>	<b>10,153,735</b>	<b>11,869,681</b>	<b>-</b>	<b>11,869,681</b>
<b><u>OPERATING DEDUCTIONS</u></b>				
Operating Expenses	4,713,651	5,054,983	-	5,054,983
Taxes	-	-	-	-
<b>Total Cash Requirements Before Debt Service</b>	<b>4,713,651</b>	<b>5,054,983</b>	<b>-</b>	<b>5,054,983</b>
<b>Cash Available for Debt Service (A)</b>	<b>5,440,084</b>	<b>6,814,698</b>	<b>-</b>	<b>6,814,698</b>
<b><u>DEBT SERVICE REQUIREMENTS</u></b>				
Principal & Interest (B)	3,453,064	4,841,790	327,427 (3)	5,169,217
Other Debt	-	-	-	-
Reserve Account @ 10%	74,789	138,873	95,456 (4)	234,329
Renewal & Replacement Fund (2.5%)	253,843	296,742	(32,943) (5)	263,799
<b>Total Debt Service Requirement</b>	<b>3,781,696</b>	<b>5,277,405</b>	<b>389,939</b>	<b>5,667,344</b>
SB 234 Cash Working Capital	589,206	631,873	-	631,873
<b>Remaining Cash</b>	<b>1,069,182</b>	<b>905,420</b>	<b>(389,939)</b>	<b>515,481</b>
<b>Percent Coverage (A) / (B)</b>	<b>157.54%</b>	<b>140.75%</b>		<b>131.83%</b>
Average rate for 3,400 gallons	\$ 40.39	\$ 48.85	\$ -	\$ 48.85
Average rate for 4,000 gallons	\$ 44.44	\$ 53.75	\$ -	\$ 53.75

**Staff Adjustments**

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	<b>Operating Revenues</b>	<b>Per Staff Analysis</b>	<b>10,185,287</b>	<b>(631,873)</b>
		<b>Per Application with Project</b>	<b>10,817,160</b>	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	<b>SB 234 Annual Working Cash Collections</b>	<b>Per Staff Analysis</b>	<b>631,873</b>	<b>631,873</b>
		<b>Per Application with Project</b>	<b>-</b>	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	<b>Principal &amp; Interest</b>	<b>Per Staff Analysis</b>	<b>5,169,217</b>	<b>327,427</b>
		<b>Per Application with Project</b>	<b>4,841,790</b>	
	The difference in P&I is related to Staff's calculation of a loan of \$5,523,000 for 40 years (paid back over 38 yrs.) at 5%.			
(4)	<b>Reserve Account @ 10%</b>	<b>Per Staff Analysis</b>	<b>234,329</b>	<b>95,456</b>
		<b>Per Application with Project</b>	<b>138,873</b>	
	Staff assumed a 10% reserve on the new debt plus the existing debt service requirement not included in the applicant's cash flow.			
(5)	<b>Renewal &amp; Replacement Fund (2.5%)</b>	<b>Per Staff Analysis</b>	<b>263,799</b>	<b>(32,943)</b>
		<b>Per Application with Project</b>	<b>296,742</b>	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			