



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

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

Date: October 14, 2025

Subject: Pendleton County Public Service District
IJDC Application - 2025W-2723
Troublesome Valley Water Extension

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 extend water service to four new customers along U.S Route 33, as well as supply water to the Fisher Mountain development. The PCPSD signed an agreement with the Waterfront Group to service 200 homes in this new development.

The total project cost is \$2,304,000 and the PCPSD intends to pursue a \$500,000 IJDC Grant. The Fisher Mountain Development has committed the additional \$1,804,000. This project may require a variance for the total engineering fees.

Preliminary Project Ratings:

Public Health Benefits: 5
Compliance with Standards: 5



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MEMORANDUM

TO: Katheryn Emery, P.E., Program Manager, DWWM

FROM: Chantz Rankin, E.I., DWWM

DATE: October 2, 2025

SUBJECT: Pendleton County Public Service District
IJDC Application - 2025W-2723
Troublesome Valley Water Extension

RECOMMENDATION

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

PROJECT DESCRIPTION

The Pendleton County Public Service District (PCPSD) is located in Pendleton County, WV and operates multiple existing water treatment and distribution systems. The PCPSD's Brandywine system currently serves 320 total customers, including 300 residential customers, and 20 commercial customers. The Brandywine system's water treatment plant (WTP) is an infiltration trench treatment plant and draws its raw water from the South Fork South Branch Potomac River. The WTP pumps approximately 6 hours per day, and produces an approximate 36,000 gallons per day (GPD).

The proposed project will extend water to 4 unserved customers along U.S Route 33, as well as supply water to the Fisher Mountain development. Correspondence from the engineer indicates that this project will only extend water to the development. The district has a separate agreement with the developer which will handle the distribution system for the lots. The project will include approximately 10,000 linear feet (LF) of 6" water line, two (2) booster pump stations, a 33,000 gallon storage tank and all necessary appurtenances.

The proposed total cost for this project is \$2,304,000 and the PCPSD intends to pursue a \$500,000 IJDC Grant. The Fisher Mountain Development has committed the additional \$1,804,000. The proposed monthly rate will be \$65.76 (2.02% MHI) for 3,400 gallons.

NEED FOR PROJECT

Currently the unserved homes in the Fisher Mountain development rely on the development's existing well system. As more homes in the development are completed, the well system will not be able to keep up with the demand for water. This project will provide a reliable and adequate water supply to 4 customers as well as the future customers in the Fisher Mountain development.

DEFICIENCIES/COMMENTS

- Using the Combined Application, the Design, and Total Engineering Fees appear to be outside of the ASCE Curves. This project may require a variance for the total engineering fees.

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



October 10, 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-2723
Pendleton County PSD – Waterline Extension (Fisher Mountain)
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,

Brandon Crace

Brandon Crace
Engineering Division

Enclosures

**PUBLIC SERVICE COMMISSION STAFF
TECHNICAL REVIEW**

DATE: October 10, 2025

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

PROJECT SUMMARY: The Pendleton County PSD is proposing to extend water service to an anticipated 200 home residential development on Fisher Mountain.

PROPOSED FUNDING:	Waterfront Group WV, LLC, Contribution \$	1,804,000
	IJDC Grant	<u>\$ 500,000</u>
	Total	<u>\$2,304,000</u>

CURRENT RATES:	\$60.89	3,400 gallons
	\$71.64	4,000 gallons

PROPOSED RATES:	\$65.46	3,400 gallons
	\$77.02	4,000 gallons

Application No. 2025W-2723

RECOMMENDATION: ☒ Forward to the Funding Committee
☐ Forward to the Consolidation Committee
☐ Return to the Applicant

FINANCIAL: William Nelson

1. Current rates (\$60.89 for 3,400 gallons) are above the rates attributable to 1.25% (\$48.29) and 1.5% (\$57.95) of the Median Household Income (MHI), but below the rates attributable to 1.75% (\$67.61) and 2% (\$77.26) of the MHI. Increasing current rates to 1.75% and 2% of the MHI would provide additional revenues of \$65,418 and \$159,499, respectively.
2. Using Scenario 1, the preferred funding package consisting of a Waterfront Group WV, LLC, Contribution of \$1,804,000 and an IJDC Grant of \$500,000, proposed rates (\$65.46 for 3,400 gallons) will provide a cash flow surplus of \$60,151 and debt service coverage of 328.05%.

3. Using the Scenario 2 alternate loan package of \$500,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years) and committed funds consisting of a Waterfront Group WV, LLC, Contribution of \$1,804,000, proposed rates (\$79.04 for 3,400 gallons) will provide a cash flow surplus of \$159,348 and debt service coverage of 370.65%.
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 Analysis submitted with the application.
 - C. Staff used the MHI for Pendleton County of \$46,358 from the 2020 U.S. Census versus the MHI of \$38,750 that was listed in the application. In the event this MHI, which represents the Eastern District of Pendleton County, is utilized then current rates (\$60.89 for 3,400 gallons) are above the rates attributable to 1.25% (\$40.36), 1.5% (\$48.44), and 1.75% (\$56.51) of the MHI, but below the rates attributable to 2% (\$64.58) of the MHI.
 - D. The Applicant is requesting a waiver of the Rule 42 Exhibit requirement.
 - E. It should be noted that the Going Level rates (\$60.89 for 3,400 gallons) were effective June 26, 2024. Staff reflected this in its analysis.
 - F. The project sponsor is proposing to increase rates to \$65.46 (3,400 gallons) in its application. The cash flow analysis, provided in the filing, included \$50,871 for a Depreciation Fund in addition to its renewal and replacement reserve. This was not included in Case No. 24-0012-PWD-19A. This appears to be an account balance and should not be included in the cash flow analysis. Staff removed it from its cash flow analysis. Thus, the District may not have justification to increase rates to \$65.46 (3,400 gallons). 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.

G. 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: Jim Spurlock

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: Pendleton County PSD proposes to install 10,000 feet of 6-inch water line, two booster stations, and a 33,000-gallon water storage tank to extend service from the District's Brandywine system to the Fisher Mountain development. The development, which currently contains approximately 12 homes which are served by a well field operated by the development, will contain 200 homes and possibly an additional 100 homes. Due to production issues with the well field, the developer is coordinating with the District for the proposed extension.

Customer Density: 32/mile

Cost per Customer: \$11,520

Taken from the total project cost estimate of \$2,304,000 spread over 200 new customers.

3. Project Feasibility: The project is technically feasible. The cost per customer is reasonable. The project will meet the water supply needs of a 200-home development in progress, as well as accommodate future extensions.
4. Project Alternatives: The alternative of expanding the development's existing well field was mentioned and dismissed due to the production issues which prompted the project to begin with.
5. Consolidation: No consolidation opportunities are presented by the project.

6. Inconsistencies: None were noted.
7. Operation and Maintenance (O & M) Expenses: O & M costs are projected to increase by \$1,467 annually as a result of the project. Supporting calculations were provided. It is noted that the calculations primarily reflect system maintenance, and were based upon minimal water usage due to the current lack of customers.
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 \$387,481 which is equal to 21.30% of the construction cost of \$1,819,340 (including contingency).

PENDLETON COUNTY PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025W-2723
October 10, 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
	\$	\$	\$	\$
AVAILABLE CASH				
Operating Revenues	593,369	649,615	(57,194) (1)	592,421
Other Operating Revenue	12,504	12,504	-	12,504
SB 234 Annual Working Cash Collections	-	-	57,194 (2)	57,194
Interest Income & Other Misc.	2,282	2,282	-	2,282
Total Cash Available	608,155	664,401	-	664,401
OPERATING DEDUCTIONS				
Operating Expenses	447,078	457,549	-	457,549
Taxes	13,302	13,302	-	13,302
Total Cash Requirements Before Debt Service	460,380	470,851	-	470,851
Cash Available for Debt Servi (A)	147,775	193,550	-	193,550
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	59,000	59,000	-	59,000
Other Debt	-	-	-	-
Reserve Account @ 10%	2,082	2,082	-	2,082
Renewal & Replacement Fund (2.5%)	15,204	16,610	(1,487) (3)	15,123
Total Debt Service Requirement	76,286	77,692	(1,487)	76,205
SB 234 Cash Working Capital	55,885	57,194	-	57,194
Remaining Cash	15,604	58,664	1,487	60,151
Percent Coverage (A) / (B)	250.47%	328.05%		328.05%
Average rate for 3,400 gallons	\$ 60.89	\$ 65.46	\$ -	\$ 65.46
Average rate for 4,000 gallons	\$ 71.64	\$ 77.02	\$ -	\$ 77.02

**PENDLETON COUNTY PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025W-2723**

**Attachment A
PREFERRED FUNDING PACKAGE
SCENARIO 1**

Staff Adjustments

<u>Adjustment Description</u>		\$	Increase <Decrease>	
(1)	Operating Revenues	Per Staff Analysis	592,421	(57,194)
		Per Application with Project	649,615	
Adjust revenues in accordance with PSC General Order 183.11.				
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	57,194	57,194
		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	15,123	(1,487)
		Per Application with Project	16,610	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				

PENDLETON COUNTY PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025W-2723
October 10, 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
	\$	\$	\$	\$
AVAILABLE CASH				
Operating Revenues	593,369	784,615	(57,011) (1)	727,604
Other Operating Revenue	12,504	12,504	-	12,504
SB 234 Annual Working Cash Collections	-	-	57,011 (2)	57,011
Interest Income & Other Misc.	2,282	2,282	-	2,282
Total Cash Available	608,155	799,401	-	799,401
OPERATING DEDUCTIONS				
Operating Expenses	447,078	457,549	-	457,549
Taxes	13,302	13,302	-	13,302
Total Cash Requirements Before Debt Service	460,380	470,851	-	470,851
Cash Available for Debt Servi (A)	147,775	328,550	-	328,550
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	59,000	192,318	(103,676) (3)	88,642
Other Debt	-	-	-	-
Reserve Account @ 10%	2,082	2,082	2,964 (4)	5,046
Renewal & Replacement Fund (2.5%)	15,204	19,985	(1,482) (5)	18,503
Total Debt Service Requirement	76,286	214,385	(102,194)	112,191
SB 234 Cash Working Capital	55,885	57,011	-	57,011
Remaining Cash	15,604	57,154	102,194	159,348
Percent Coverage (A) / (B)	250.47%	170.84%		370.65%
Average rate for 3,400 gallons	\$ 60.89	\$ 79.04	\$ -	\$ 79.04
Average rate for 4,000 gallons	\$ 71.64	\$ 92.99	\$ -	\$ 92.99

PENDLETON COUNTY PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025W-2723

Attachment B
LOAN PACKAGE
SCENARIO 2

Staff Adjustments

<u>Adjustment Description</u>		\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	727,604
		Per Application with Project	784,615
	Adjust revenues in accordance with PSC General Order 183.11.		
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	57,011
		Per Application with Project	-
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.		
(3)	Principal & Interest	Per Staff Analysis	88,642
		Per Application with Project	192,318
	The difference in P&I is related to Staff's calculation of a loan of \$500,000 for 40 years (paid back over 38 years) at 5%.		
(4)	Reserve Account @ 10%	Per Staff Analysis	5,046
		Per Application with Project	2,082
	Staff assumed a 10% reserve on the new debt.		
(5)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	18,503
		Per Application with Project	19,985
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.		



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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: September 17, 2025

SUBJECT: Infrastructure Preliminary Application for the Pendleton County PSD:
Troublesome Valley Extension Project in Pendleton County, WV. (2025W-2723)

We have reviewed the above referenced project application information. The Pendleton County PSD, discharges its backwash to its site, which is covered under WV/NPDES Site Registration No. WVG640062, and expires July 18, 2028.

If the Pendleton County 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 Pendleton County 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 Pendleton County 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