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: Dr. Mark Sarver, Executive Director, Water Development Authority
Meredith J. Vance, Director, Environmental Engineering Division, BPH

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

Date: October 22, 2026

Subject: Ravencliff-McGraws-Saulsville PSD
IJDC Application - 2026W-2837
Glen Rogers Water System 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 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.

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 project proposes the distribution system in the Glen Rogers area. The Glen Rogers water system is mostly comprised of clay piping that has reached the end of its useful life and is experiencing leaks and line breaks that contribute to significant water loss, lack of pressure, and water discoloration. The project will also include upgrades to the water storage tank and booster station to improve the operation of the system.

The proposed cost for this project is $5,446,000. The RMS PSD will pursue a funding scenario that consists of a $630,000 USDA grant, a $760,000 USDA loan (3.75%, 40 years), a $500,000 IJDC grant, a $1,500,000 ARC grant, a $1,000,000 DWTRF Principal Forgiveness loan, and a $1,056,000 DWTRF loan (0.75%, 0.25% admin fee, 30 years). The proposed average monthly rate for 3,400 gallons is $68.55 (1.70% MHI).

Preliminary Project Ratings:

Public Health Benefits:	0
Compliance with Standards:	10
Operation & Maintenance:	4

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MEMORANDUM

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

FROM: Carin Angelle, DWWM

DATE: October 15, 2026

SUBJECT: Ravencliff-McGraws-Saulsville PSD
Glen Rogers Water System Improvements
IJDC No. 2026W-2837

RECOMMENDATION

The IJDC application and Preliminary Engineering Report (PER) prepared by The Thrasher Group for the above referenced project have been reviewed and are technically feasible.

PROJECT DESCRIPTION

The Ravencliff-McGraws-Saulsville Public Service District (RMS PSD) owns and operates a public water supply system in Wyoming County, WV under Public Water System Identification Number (PWSID) WV3305518. RMS PSD serves 1,522 customers, including 72 customers served by the existing water system in the town of Glen Rogers, WV, previously owned by the Glen Rogers PSD. The Glen Rogers area is supplied entirely with water bought from RMS PSD that is sourced from two wells in McGraws, WV. This project will renew the water system along Glen Rogers Road with water main replacement, booster station rehabilitation, and storage tank restoration.

The proposed upgrades to the Glen Rogers area include the installation of approximately 34,000 LF of PVC water main, ninety (90) meter settings, forty (40) fire hydrant assembles, fifty (50) mechanical joint gate valves, telemetry equipment, and new booster station pumps and generator, as well as the application of a new coat of exterior paint to the tank and minor damage repairs.

The proposed cost for this project is $5,446,000. The RMS PSD will pursue a funding scenario of $630,000 in USDA Grants, $760,000 in USDA Loan (3.75%, 40 years), $500,000 in IJDC Grant, $1,500,000 in ARC Grant, $1,000,000 in DWTRF Principal Forgiveness, and $1,056,000 in DWTRF Loan (0.75%, 30 years). The current average monthly rate for 3,400 gallons is $50.91 (1.265% MHI), and is projected to increase to $68.55 (1.70% MHI).

NEED FOR PROJECT

The Glen Rogers water system is mostly comprised of clay piping that has reached the end of its useful life and is experiencing leaks and line breaks that contribute to significant water loss, lack of pressure, and water discoloration. The system can be expected to experience large-scale failures if the proposed rehabilitation and replacements do not occur. The unreliable condition of the Glen Rogers water system creates potential for harm to public health due to contaminated drinking water. System failures due to aged equipment would cease upon completion of the proposed upgrades, thereby reducing health risks and providing RMS PSD customers with safe, reliable water service.

The existing water storage tank has minor damage and needs a new coat of paint, updated telemetry, and a new access road. Rehabilitation of the water tank would prolong the life of the tank and ensure its ability to safely store and provide drinking water to RMS PSD customers. The existing equipment at the booster station is out of date and does not best support the power or security needs of the station. Installing a new generator and pumps, and upgrading telemetry will better accommodate the power needs of the station and provide more efficient and reliable water transportation.

DEFICIENCIES/COMMENTS

- Using the Combined Application, the Total Engineering Fees appear to be below the ASCE Design Fee Curve for high complexity.

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 7, 2026

Mark Sarver, Chair
Water Development Authority, Executive Director
Katheryn Emery, P.E., Program Manager
CWSRF & DWTRF, Division of Water and Waste Management, WVDEP
Meredith Vance, Director
Environmental Engineering Division, WVBPH

Re: Public Service Commission Staff Review Comments
Application No. 2026W-2837
Ravencliff-McGraws-Saulsville PSD – Water System Improvements
(Glen Rogers Water System)
Infrastructure Preliminary Application

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:

__X__ 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 7, 2026

PROJECT SPONSOR: **RAVENCLIFF-MCGRAWS-SAULSVILLE PUBLIC SERVICE DISTRICT – (WATER)**

PROJECT SUMMARY: The Ravencliff-McGraws-Saulsville PSD is proposing to pursue improvements to the existing Glen Rogers Water System, which will replace sections of aged waterlines, fire hydrants, valves, and make other improvements.

PROPOSED FUNDING:

USDA Grant	$ 30,000
IJDC Grant	500,000
ARC Grant	1,500,000
USDA Grant	600,000
USDA Loan (3.75%, 40 years)	760,000
DWTRF Principal Forgiveness	1,000,000
DWTRF Loan (.75%, .25% Admin. Fee, 30 yrs.)	1,056,000
Total	$ 5,446,000

CURRENT RATES:

Schedule I: Customers not formerly served by Glen Rogers PSD

$58.73	3,400 gallons
$67.44	4,000 gallons

Schedule II: Customers formerly served by Glen Rogers PSD

$52.01	3,400 gallons
$59.78	4,000 gallons

PROPOSED RATES:

All Customers

$68.55	3,400 gallons
$78.72	4,000 gallons

Application No. 2026W-2837

RECOMMENDATION:
__X__ Forward to the Funding Committee
____ Forward to the Consolidation Committee
____ Return to the Applicant

FINANCIAL: Alex Kovarik

1. Current average rates ($55.37 for 3,400 gallons) are above the rate attributable to 1.25% ($45.19) and 1.5% ($54.22) of the Median Household Income (MHI), but below the rates attributable to 1.75% ($63.26) and 2.0% ($72.30) of the MHI. Increasing current rates to 1.75% and 2.0% of the MHI would provide additional revenues of $169,659 and $363,969 respectively.

2. Using Scenario 1, the preferred funding package consisting of a USDA Grant of $30,000, an IJDC Grant of $500,000, an ARC Grant of $1,500,000, a USDA Grant of $600,000, a USDA Loan of $760,000 at 3.75% for 40 years (paid back over 38 years), DWTRF Principal Forgiveness of $1,000,000 and a DWTRF Loan of $1,056,000 at .75%, with a .25% Admin. Fee, for 30 years, proposed rates ($68.55 for 3,400 gallons) will provide a cash flow surplus of $5,548 and debt service coverage of 149.38%.

3. Using the Scenario 2 alternate loan package of $5,446,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates ($80.90 for 3,400 gallons) will provide a cash flow deficit of $1,918 and debt service coverage of 133.78%. An additional .1% (for a total of $80.98 for 3,400 gallons) increase in proposed rates will be required in order to provide a cash flow surplus of $519 and debt service coverage of 134.18%.

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 accepted and used for its analysis the applicant's listed MHI of $43,378 for Wyoming County District 1 from the 2025 U.S. Census.

   C. Staff prepared the attached Cash Flow Analysis utilizing information from the Annual Report for the Fiscal Year Ended June 30, 2025, and the applicant's Rule 42 Exhibit submitted with the application.

   D. Current average rates of $55.37 (3,400 gallons) became effective upon substantial completion of the project associated with Case No. 24-0656-PWD-42P or upon commencement of the debt service associated therewith, whichever occurs first. Staff notes the utility filed its certificate of substantial completion (dated October 16, 2025) for the project on September 8, 2026. Staff has reflected these rates in its analyses.

E. The cash flow provided by the project sponsor shows a Going-Level deficit. The District needs to carefully evaluate its current financial position and may need to immediately file for a rate increase unless its operating costs have significantly decreased from the fiscal year ended June 30, 2025.

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.

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 Ravencliff-McGraws-Saulsville PSD is proposing to pursue improvements to the existing Glen Rogers Water System, which will replace sections of aged waterlines, fire hydrants, valves, and make other improvements. The proposed project scope includes: mobilization, pre-construction video, erosion and sediment control, 27000 LF of 6-inch PVC water main, 7000 LF of 2-inch PVC water main, 6350 LF of 3/4-inch or 1-inch polyethylene service line (open cut), 250 LF of 3/4-inch or 1-inch polyethylene service line (bore & jack), 90 meter settings (complete), 40 fire hydrant assemblies, 100 LF of 12-inch steel casing (bore & jack), upgrades to existing booster station, upgrades to existing water storage tank, forty-five (45) 6-inch MJT gate valve (complete with box & lid), five (5) 2-inch MJT gate valve (complete with box & lid), tie-in to existing 6-inch water main, a 2-inch post flushing hydrant assembly (complete), 5 air release valve assembly (complete), 500 LF of asphalt street/road/driveway restoration, 3000 LF of gravel road/driveway restoration, 26000 LF of WVDOH inspection fees, and necessary appurtenances. The estimated construction cost is $4,100,000 (includes 9.98% construction contingency), and the estimated total project cost is $5,446,000 (includes 3.46% project contingency).

Need: The PER indicates that the Glen Rogers PSD water and sewer systems were acquired by Ravencliff-McGraws-Saulsville PSD in 2024. The PER states that the water mains, distribution equipment, water storage tank, and other appurtenances of the Glen Rogers water system are beyond their useful lives, which is resulting in leaks, line breaks, low pressure, and water discoloration.

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 $5,446,000, and having approximately 1522 customers, the cost per customer will be approximately $3,579. However, the cost per customer in terms of proposed borrowing is $1,181, as the proposed funding is approximately 67% grant.

3. Project Alternatives: The PER indicates that 4 Alternatives were considered: Alternative #1 – System Upgrade, Alternative #2 – Water Treatment Plant, Alternative #3 – Partial/Selective Water Line Rehabilitation, and Alternative #4 – Do Nothing. The PER indicates that the PSD proposes to pursue Alternative #1.

4. Consolidation: There are no consolidation opportunities presented by this project.

5. Operation and Maintenance (O&M) Expenses: The PER did not include a detailed breakdown or discussion of anticipated changes to O&M expenses. The PER does state “O&M is not expected to increase as a result of this project.”

6. 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 $777,500, which is equal to 18.96% of the construction cost of $4,100,000 (includes 9.98% construction contingency).

7. Deficiencies/Comments:
   - Nothing significant to note.

RAVENCLIFF-MCGRAWS-SAULSVILLE PSD - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2026W-2837
October 7, 2026

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
		$	$	$		$
AVAILABLE CASH						
Operating Revenues		1,240,399	1,455,854	(113,434)	(1)	1,342,420
Other Operating Revenue		32,647	40,153	-		40,153
SB 234 Annual Working Cash Collections				113,434	(2)	113,434
Interest Income & Other Misc.		12,045	12,045	-		12,045
Total Cash Available		1,285,091	1,508,052	-		1,508,052
OPERATING DEDUCTIONS						
Operating Expenses		907,472	907,472	1,380	(3)	908,852
Taxes		32,536	32,536	-		32,536
Total Cash Requirements Before Debt Service		940,008	940,008	1,380		941,388
Cash Available for Debt Service	(A)	345,083	568,044	(1,380)		566,664
DEBT SERVICE REQUIREMENTS						
Principal & Interest	(B)	302,069	378,940	410	(4)	379,350
Other Debt		16,447	16,447	-		16,447
Reserve Account @ 10%		9,592	17,279	41	(5)	17,320
Renewal & Replacement Fund (2.5%)		32,127	37,701	(3,137)	(6)	34,564
Total Debt Service Requirement		360,235	450,367	(2,686)		447,682
SB 234 Cash Working Capital		113,434	113,434	-		113,434
Remaining Cash		(128,586)	4,243	1,306		5,548
Percent Coverage	(A) / (B)	114.24%	149.90%			149.38%
Average rate for 3,400 gallons		$ 55.37	$ 68.55	$ -		$ 68.55
Average rate for 4,000 gallons		$ 63.61	$ 78.72	$ -		$ 78.72
Schedule I: Customers not formerly served by Glen Rogers PSD						
Rate for 3,400 gallons		$ 58.73	$ 68.55	$ -		$ 68.55
Rate for 4,000 gallons		$ 67.44	$ 78.72	$ -		$ 78.72
Schedule II: Customers formerly served by Glen Rogers PSD						
Rate for 3,400 gallons		$ 52.01	$ 68.55	$ -		$ 68.55
Rate for 4,000 gallons		$ 59.78	$ 78.72	$ -		$ 78.72

RAVENCLIFF-MCGRAWS-SAULSVILLE PSD - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2026W-2837

Attachment A
PREFERRED FUNDING PACKAGE
SCENARIO 1

Staff Adjustments

	Adjustment Description		$	Increase <Decrease>
(1)	**Operating Revenues**	**Per Staff Analysis**	**1,342,420**	**(113,434)**
		Per Application with Project	**1,455,854**	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	**SB 234 Annual Working Cash Collections**	**Per Staff Analysis**	**113,434**	**113,434**
		Per Application with Project	**-**	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	**Operating Expenses**	**Per Staff Analysis**	**908,852**	**1,380**
		Per Application with Project	**907,472**	
	To adjust for Staff's calculation of administrative fees on the DWTRF Loan.			
(4)	**Principal & Interest**	**Per Staff Analysis**	**379,350**	**410**
		Per Application with Project	**378,940**	
	The difference in P&I is related to Staff's calculation of a USDA Loan of $760,000 for 40 years (paid over 38 years) at 3.75% and a DWTRF Loan of $1,056,000 for 30 years at .75%.			
(5)	**Reserve Account @ 10%**	**Per Staff Analysis**	**17,320**	**41**
		Per Application with Project	**17,279**	
	Staff assumed a 10% reserve on the new debt.			
(6)	**Renewal & Replacement Fund (2.5%)**	**Per Staff Analysis**	**34,564**	**(3,137)**
		Per Application with Project	**37,701**	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

RAVENCLIFF-MCGRAWS-SAULSVILLE PSD - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2026W-2837
October 7, 2026

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		1,240,399	1,717,086	(110,934)	(1)	1,606,152
Other Operating Revenue		32,647	46,913	-		46,913
SB 234 Annual Working Cash Collections				113,434	(2)	113,434
Interest Income & Other Misc.		12,045	12,045	-		12,045
Total Cash Available		1,285,091	1,776,044	2,500		1,778,544
OPERATING DEDUCTIONS						
Operating Expenses		907,472	907,472	-		907,472
Taxes		32,536	32,536	-		32,536
Total Cash Requirements Before Debt Service		940,008	940,008	-		940,008
Cash Available for Debt Service	(A)	345,083	836,036	2,500		838,536
DEBT SERVICE REQUIREMENTS						
Principal & Interest	(B)	302,069	617,194	7,737	(3)	624,931
Other Debt		16,447	16,447	-		16,447
Reserve Account @ 10%		9,592	41,104	774	(4)	41,878
Renewal & Replacement Fund (2.5%)		32,127	44,401	(3,074)	(5)	41,327
Total Debt Service Requirement		360,235	719,146	5,437		724,583
SB 234 Cash Working Capital		113,434	113,434	-		113,434
Remaining Cash		(128,586)	3,456	(2,937)		519
Percent Coverage	(A) / (B)	114.24%	135.46%			134.18%
Average rate for 3,400 gallons		$ 55.37	$ 80.90	$ 0.08		$ 80.98
Average rate for 4,000 gallons		$ 63.61	$ 92.90	$ 0.09		$ 92.99
Schedule I: Customers not formerly served by Glen Rogers PSD						
Rate for 3,400 gallons		$ 58.73	$ 80.90	$ -		$ 80.98
Rate for 4,000 gallons		$ 67.44	$ 92.90	$ -		$ 92.99
Schedule II: Customers formerly served by Glen Rogers PSD						
Rate for 3,400 gallons		$ 52.01	$ 80.90	$ -		$ 80.98
Rate for 4,000 gallons		$ 59.78	$ 92.90	$ -		$ 92.99

RAVENCLIFF-MCGRAWS-SAULSVILLE PSD - WATER **Attachment B**
CASH FLOW ANALYSIS **LOAN PACKAGE**
YEAR ENDED: June 30, 2025 **SCENARIO 2**
APPLICATION NO: 2026W-2837

Staff Adjustments

	Adjustment Description		$	Increase <Decrease>
(1)	**Operating Revenues**	**Per Staff Analysis**	**1,606,152**	**(110,934)**
		Per Application with Project	**1,717,086**	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	**SB 234 Annual Working Cash Collections**	**Per Staff Analysis**	**113,434**	**113,434**
		Per Application with Project	**-**	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	**Principal & Interest**	**Per Staff Analysis**	**624,931**	**7,737**
		Per Application with Project	**617,194**	
	The difference in P&I is related to Staff's calculation of a loan of $5,446,000 at 5% for 38 years for Scenario 2.			
(4)	**Reserve Account @ 10%**	**Per Staff Analysis**	**41,878**	**774**
		Per Application with Project	**41,104**	
	Staff assumed a 10% reserve on the new debt.			
(5)	**Renewal & Replacement Fund (2.5%)**	**Per Staff Analysis**	**41,327**	**(3,074)**
		Per Application with Project	**44,401**	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

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) 926-0463

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

MEMORANDUM

MEMO TO: Meredith J. Vance
Office of Environmental Health Services
Bureau for Public Health

FROM: Brian D. Bailey
Technical Analyst Senior
General Permits & Support Team

DATE: September 30, 2026

SUBJECT: Infrastructure Preliminary Application for the Ravencliffe-McGraw-Saulsville PSD: (2026W-2837) Glen Roger PSD Water System Improvements in Wyoming County, WV.

We have reviewed the above referenced project application information. The Glen Rogers PSD is owned by Ravencliff-McGraw-Saulsville PSD which provides water to them, and is covered under WV/NPDES Site Registration No. WVG640056 and expires July 18, 2028.

If the Ravencliffe-McGraw-Saulsville 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 Ravencliffe-McGraw-Saulsville 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 Ravencliffe-McGraw-Saulsville 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