



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 16, 2025

Subject: Town of Rupert
IJDC Application - 2025W-2710
Water System Improvements 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 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 replace the asbestos cement waterlines that were constructed in 1949 along Nicholas Street and Anjeen Road. The replacement of the lines will address their current water loss of 40.64%.

The total project cost is \$2,000,000. The Town intends to fund this project using a \$1,000,000 DWTRF Principal Forgiveness Loan and \$1,000,000 IJDC Grant.

Preliminary Project Ratings:

Public Health Benefits:	10
Compliance with Standards:	10



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MEMORANDUM

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

FROM: Tamer Abdelgelil, DWWM

DATE: September 23, 2025

SUBJECT: Town of Rupert
IJDC Application - 2025W-2710
Water System Improvements Project

RECOMMENDATION

The IJDC Application and Preliminary Engineering Report (PER) prepared by E.L. Robinson Engineering Co. for the above referenced project have been reviewed and are technically feasible.

PROJECT DESCRIPTION

The Town of Rupert (Town), located in Greenbrier County, West Virginia, owns and operates a water distribution system under Public Water Service Identification (PWSID) No. WV3301311. This system provides potable water services to approximately 492 residential customers, one unmetered connection, and one public fire protection connection. Existing infrastructure within the water system includes 6.6 miles of water lines, two water storage tanks with a total capacity of 350,000 gallons, and one water treatment plant. The water treatment plant obtains raw water through the use of two groundwater wells, and the facility has a design capacity of 432,000 gallons per day (gpd). In recent years, the water treatment plant produced an average of 114,000 gpd, and the Town does not anticipate an increase in additional customers or demand to its system.

This project will replace the waterlines along Nicholas Street and Anjeen Road in the Town of Rupert.

The proposed total cost for this project is \$2,000,000. The Town intends to fund this project using a \$1,000,000 DWTRF Principal Forgiveness Loan and \$1,000,000 IJDC Grant.

The current monthly utility rate is \$53.90 (2.40% MHI) for 3,400 gallons. A rate increase is not anticipated due to this project, but the application indicates a going-level rate increase will raise rates to \$62.80 (2.79% MHI).

NEED FOR PROJECT

The Town's water distribution system was first constructed circa 1949 and constructed of asbestos cement. Frequent failures have posed significant issues to both system efficiency and public health. Additionally, leaks have resulted in excessive levels of water loss, with an approximated 40.64% of treated water being unaccounted for in the system. The cost of maintaining and repairing the aging infrastructure is no longer feasible. The project will address these distribution lines and provide reliable water services.

DEFICIENCIES/COMMENTS

- Using the Combined Application, the Total Engineering Fees appear to be within the ASCE Curves.

Preliminary Project Ratings:

Public Health Benefits: 10
Compliance with Standards: 10

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 16, 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-2710
Rupert, Town of – Water System Improvements
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 14, 2025

PROJECT SPONSOR: TOWN OF RUPERT - WATER

PROJECT SUMMARY: The Town of Rupert is proposing to make improvements to its existing water system

PROPOSED FUNDING:	DWTRF Principal Forgiveness Loan	\$1,000,000
	IJDC Soft Cost Grant	50,000
	IJDC Grant	<u>950,000</u>
	Total	\$ 2,000,000

CURRENT RATES:	\$ 53.90	3,400 gallons
	\$ 63.20	4,000 gallons

PROPOSED RATES:	\$ 62.80	3,400 gallons
	\$ 73.63	4,000 gallons

Application No. 2025W-2710

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

FINANCIAL: Bob Cadle

1. Current rates (\$53.90 for 3,400 gallons) are above the rates attributable to 1.25% (\$28.11), 1.5% (\$33.74), 1.75% (\$39.36), and 2% (\$44.98) of the Median Household Income.
2. Using Scenario 1, the preferred funding package consisting of a DWTRF Principal Forgiveness Loan of \$1,000,000, an IJDC Soft Cost Grant of \$50,000 and an IJDC Grant of \$950,000, proposed rates (\$62.80 for 3,400 gallons) will provide a cash flow surplus of \$960 and debt service coverage of 297.35%.
3. Using the Scenario 2 alternate loan package of \$2,000,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates (\$84.39

for 3,400 gallons) will provide a cash flow deficit of \$13,980 and debt service coverage of 131.18%. An additional 3.2% (for a total of \$87.09 for 3,400 gallons) increase in proposed rates will be required in order to provide a cash flow surplus of \$645 and a debt service coverage of 141.83%.

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 Annual Report for the Fiscal Year Ended June 30, 2024, and the Applicant's Cash Flow Statement submitted with the application.
- C. Because proposed funding is based on all grant funding, the Applicant is requesting a waiver of the Rule 42 Exhibit requirement.
- D. It should be noted that the Town is proposing a Going Level increase in rates (\$62.80 for 3,400 gallons). As of October 16, 2025, an ordinance to increase rates hasn't been filed with the PSC.
- E. Staff used the MHI for the Town of Rupert of \$26,989 from the 2020 U.S. Census. The applicant did not list an MHI in its application.
- 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. 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.

- H. The Town of Rupert 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: 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: The Town of Rupert proposes to install approximately 6,950 feet of 8-inch, 6-inch, and 2-inch water lines along Nicholas Street and Anjean Road to replace a troublesome portion of the distribution system. The existing lines are antiquated, experience frequent breaks, and are a major contributor to the Town's 40% water loss.

Customer Density: N/A

Cost per Customer: \$4,049

Taken from the total project cost estimate of \$2,000,000 spread over 494 existing customers.

3. Project Feasibility: The project is technically feasible. The cost per customer is reasonable. The project will replace antiquated lines, reduce unaccounted-for water, and reduce maintenance costs.
4. Project Alternatives: The project does not lend itself to alternatives besides "no action".
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 decrease by \$9,805 as a result of the project. Supporting calculations were provided.

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 \$275,000 which is equal to 18.39% of the construction cost of \$1,495,000 (including contingency).

TOWN OF RUPERT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025W-2710
October 16, 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	285,777	344,325	(35,030) (1)	309,295
Other Operating Revenue	15,408	13,067	-	13,067
SB 234 Annual Working Cash Collections			35,030 (2)	35,030
Interest Income & Other Misc.	8,712	1,272	-	1,272
Total Cash Available	309,897	358,664	-	358,664
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	290,044	280,239	-	280,239
Taxes	12,056	12,056	-	12,056
Total Cash Requirements Before Debt Service	302,100	292,295	-	292,295
Cash Available for Debt Service (A)	7,797	66,369	-	66,369
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	22,320	22,320	-	22,320
Other Debt	-	-	-	-
Reserve Account @ 10%			-	-
Renewal & Replacement Fund (2.5%)	7,389	8,608	(549) (3)	8,059
Total Debt Service Requirement	29,709	30,928	(549)	30,379
SB 234 Cash Working Capital		35,030	-	35,030
Remaining Cash	(21,912)	411	549	960
Percent Coverage (A) / (B)	34.93%	297.35%		297.35%
Average rate for 3,400 gallons	\$ 53.90	\$ 62.80	\$ -	\$ 62.80
Average rate for 4,000 gallons	\$ 63.20	\$ 73.63	\$ -	\$ 73.63

**TOWN OF RUPERT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025W-2710**

**Attachment A
PREFERRED FUNDING PACKAGE
SCENARIO 1**

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	309,295	(35,030)
		Per Application with Project	344,325	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	35,030	35,030
		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	8,059	(549)
		Per Application with Project	8,608	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

TOWN OF RUPERT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025W-2710
October 16, 2025

**LOAN FUNDING 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		285,777	462,772	(20,030) (1)	442,742
Other Operating Revenue		15,408	13,067	-	13,067
SB 234 Annual Working Cash Collections				35,030 (2)	35,030
Interest Income & Other Misc.		8,712	1,272	-	1,272
Total Cash Available		309,897	477,111	15,000	492,111
<u>OPERATING DEDUCTIONS</u>					
Operating Expenses		290,044	280,239	-	280,239
Taxes		12,056	12,056	-	12,056
Total Cash Requirements Before Debt Service		302,100	292,295	-	292,295
Cash Available for Debt Service	(A)	7,797	184,816	15,000	199,816
<u>DEBT SERVICE REQUIREMENTS</u>					
Principal & Interest	(B)	22,320	138,047	2,841 (3)	140,888
Other Debt		-	-	-	-
Reserve Account @ 10%				11,857 (4)	11,857
Renewal & Replacement Fund (2.5%)		7,389	11,569	(174) (5)	11,395
Total Debt Service Requirement		29,709	149,616	14,524	164,141
SB 234 Cash Working Capital			35,030	-	35,030
Remaining Cash		(21,912)	170	476	645
Percent Coverage	(A) / (B)	34.93%	133.88%		141.83%
Average rate for 3,400 gallons		\$ 53.90	\$ 84.39	\$ 2.70	\$ 87.09
Average rate for 4,000 gallons		\$ 63.20	\$ 98.95	\$ 3.17	\$ 102.11

**TOWN OF RUPERT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025W-2710**

**Attachment B
LOAN FUNDING PACKAGE
SCENARIO 2**

Staff Adjustments

<u>Adjustment Description</u>				\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis		442,742	(20,030)
		Per Application with Project		462,772	
Adjust revenues in accordance with PSC General Order 183.11. Staff also projected that an additional \$15,000 in revenues would be needed to achieve 115% debt service coverage and a positive cash flow surplus.					
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis		35,030	35,030
		Per Application with Project		-	
Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.					
(3)	Principal & Interest	Per Staff Analysis		140,888	2,841
		Per Application with Project		138,047	
i.e. The difference in P&I is related to Staff's calculation of a loan of \$2,000,000 for 40 years (paid over 38 years) at 5%.					
(4)	Reserve Account @ 10%	Per Staff Analysis		11,857	11,857
		Per Application with Project		-	
Staff assumed a 10% reserve on the new debt.					
(5)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis		11,395	(174)
		Per Application with Project		11,569	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.					



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MEMORANDUM

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

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

DATE: September 17, 2025

SUBJECT: Infrastructure Preliminary Application for the Town of Rupert (2025W-2710):
Water System Improvements Project in Greenbrier County, WV.

We have reviewed the above referenced project application information. The Town of Rupert, discharges its backwash to its site, which is covered under WV/NPDES Site Registration No. WVG640012, which expires July 18, 2028.

If the Town of Rupert 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 Town of Rupert 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 Town of Rupert 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