



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
Funding Committee
Infrastructure and Jobs Development Council

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

Date: July 21, 2022

Subject: Salt Rock Sewer PSD
Preliminary Application: 2022S-2169
Ph. II Pump Station Upgrade

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 funding should be tabled until technical comments have been resolved.
- d. ___ This project should be referred to the Consolidation Committee.

3. Other remarks:

The proposed project will upgrade the Phase II Pump Station. This project will also address the PSC Order in Case No. 07-1401-S-PSD-C for the PSD to service the Fox Fire extension. The total project cost is \$1,700,000 and the proposed funding sources are a \$480,165 CWSRF loan and a \$1,219,835 Congressionally Directed Spending grant.

The project is eligible for the following loan terms: 0.75% interest, 0.25% admin fee, for a term up to 30 years.

Attachments: Technical Comments

Engineering Fees:

Estimated construction cost =	\$ 1,213,000
Consultant's design fee =	\$ 91,194
Design fee percentage =	7.5%
Design fee per ASCE curve =	11.5%
Consultant's total fee =	\$ 260,367
Total fee percentage =	21.5%
Total fee per ASCE curve =	22.0%

Preliminary Project Ratings:

1. Public Health Benefits	10
3. Compliance with Standards	10
5. O & M Capabilities	3
6. Readiness to Proceed	0
8. Cost Effectiveness	0
10. Compliance with PSC Orders	0



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Bureau for Public Health

Bill J. Crouch
Cabinet Secretary

Office of Environmental Health Service

Ayne Amjad, MD, MPH
Commissioner & State Health Officer

MEMORANDUM

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

FROM: William S. Herold, Jr., P.E., Assistant Manager
I/CD/Environmental Engineering Division

DATE: July 1, 2022

SUBJECT: Salt Rock Sewer PSD
Preliminary Application **Project No.: 2022S-2169**
Phase II Pump Station Upgrade
Cabell County

RECOMMENDATION:

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

PROJECT SCOPE:

This preliminary application is to upgrade the existing Salt Rock Sewer PSD-Regional Plant Operating Committee Phase II Pump Station. Major work will consist of the rehabilitation of the Phase II Pump Station wet well and upgrade the capacity of the Phase II Pump Station from a 2,650 GPM to a 3,150 GPM.

The cost per customer is \$535. Total estimated project cost is \$1,700,000 (Congressionally Directed Grant: \$1,219,835; and CWSRF Loan: \$480,165 @ 2.00% for 30 years).

NEED FOR PROJECT:

The Preliminary Engineering Report indicates the existing Phase II Pump Station wet well is in a state of disrepair and needs to be repaired. With the addition of the 350 GPM West Side Pump Station flows to the Phase II Pump Station requires the capacity of the Phase II Pump Station be increased.

CONCERNS:

None.

PERMITS:

A permit **will not be** required from the WV Bureau for Public Health prior to construction.



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Harold D. Ward, Cabinet Secretary
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MEMORANDUM

TO: Katheryn Emery, P.E., Director, DWWM

FROM: Corey McComas, DWWM

DATE: June 15, 2022

SUBJECT: Salt Rock Sewer Public Service District
Phase II Pump Station Upgrade
IJDC No. 2022S-2169

RECOMMENDATION

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

PROJECT DESCRIPTION

The Salt Rock Sewer Public Service District (PSD) owns and operates a wastewater treatment plant (WWTP), and collection system that serves 1,600 customers and 3,175 from the City of Milton and Culloden Public Service District. They own and operate a 2.5 million gallon per day sequencing batch reactor wastewater treatment plant (WWTP) and discharges to the Mud River.

The proposed project will rehabilitate and upgrade the Phase II Pump Station. Three new 105 horsepower pumps will be installed and the wet well, preliminary treatment facilities, and interconnecting piping will be rehabilitated.

The proposed cost for this project is \$1,700,000.00. The PSD will pursue a \$1,219,835.00 Congressionally Directed Spending Grant and a \$480,165.00 in CWSRF Loan (2.00%, 30 yrs).

NEED FOR PROJECT

The phase II pump station is experiencing high flow volumes. Both Milton and Culloden PSD contribute flow into this pump station, and their estimated inflow and infiltration (I/I) rates are reported to be 30.34% and 45.47 % respectively. The approximate distance of force main between the Culloden PSD Pump Station and the phase II pump station is approximately 38,500 linear feet, with an approximate average detention time of 17 hours at average daily flow. Detention times as low as 30 minutes are a source of concern that septicity may arise as dissolved oxygen is depleted, with subsequent generation of hydrogen sulfide, generation of odor, and development of corrosive conditions. The phase II pump station wet well represents a high risk point for corrosion and after approximately 17 years of service, the impacts of hydrogen sulfide release are evident.

This project will increase the capacity at the phase II pump station to decrease the possibility of overflows and potentially connect unserved customers. This will prevent raw sewage from being introduced into the environment, and its harmful effects on the local population and surrounding habitat. This upgrade will also support the additional flow that the City of Milton will add with their project.

In addition, the phase II upgrade will also service the Fox Fire Extension which the Public Service Commission has ordered the PSD to serve in Case No. 07-1401-S-PSD-C.

DEFICIENCIES/COMMENTS

- Population data seems to indicate a current decline in population, but housing developments remain high and recent data seems to show stabilization in population in the area.
- No public meeting has been held.
- The PER will need to be developed into a facilities plan that meets CWSRF requirements if CWSRF is used.

Estimated construction cost =	\$ 1,213,000
Consultant's design fee =	\$ 91,194
Consultant's total fee =	\$ 260,367
Design fee percentage =	7.52 %
Design fee per ASCE curve =	11.50 %
Total fee percentage =	21.46 %
Total fee per ASCE curve =	22.00 %

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



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

Re: Public Service Commission Staff Review Comments
Application No. 2022S-2169
Salt Rock Sewer PSD (Sewer)
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 the District's current financial condition, we are recommending the application be:

- forwarded to the Funding Committee
 forwarded to the Consolidation Committee
 table the application

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: July 5, 2022

PROJECT SPONSOR: SALT ROCK SEWER PUBLIC SERVICE DISTRICT

PROJECT SUMMARY: The proposed project will rehabilitate the concrete of the Regional Plant Operating Committee Ph. II pump station wet well and associated preliminary treatment facilities, and will also upgrade the capacity of the Ph. II pump station from 2650 GPM to 3150 GPM.

PROPOSED FUNDING: CWSRF Loan (1.75%, .25% AF, 30 yrs.) \$480,165
Congressional Directed Spending Award \$1,219,835
Total \$1,700,000

CURRENT RATES: \$57.86 3,400 gallons
\$65.32 4,000 gallons

PROPOSED RATES: \$61.34 3,400 gallons
\$69.25 4,000 gallons

Application No. 2022S-2169

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

FINANCIAL: Kaitlyn J. Shamblin

1. Current rates (\$57.86 for 3,400 gallons) are above the rates attributable to 1.25% (\$39.94), 1.5% (\$47.93), and 1.75% (\$55.92) of the Median Household Income (MHI), but below the rates attributable to 2% (\$63.91) of the MHI. Increasing current rates to 2% of the MHI would provide additional revenues of \$153,211.
2. Using Scenario 1, the preferred funding package consisting of a CWSRF Loan of \$480,165 at 1.75%, .25% Admin. Fee, for 30 years and a Congressional Directed Spending Award of \$1,219,835, proposed rates (\$61.34 for 3,400 gallons) will provide a cash flow surplus of \$100,390 and debt service coverage of 146.09%.

3. Using Scenario 2, alternate loan package of \$480,165 (in uncommitted funds) at 5% for 40 years (paid back over 38 years) and committed funds consisting of a Congressional Directed Spending Award of \$1,219,835, proposed rates (\$61.65 for 3,400 gallons) will provide a cash flow surplus of \$100,373 and debt service coverage of 145.71%.
4. Notes to Comments:
 - A. Staff's detailed adjustments are listed on Attachment A for Scenario 1 (Preferred Funding Package), Attachment B for Scenario 2 (Loan Package), Attachment C for Scenario 3 (Alternate Funding Package).
 - B. Staff prepared the attached Cash Flow Analysis utilizing information from the Annual Report for the Fiscal Year Ended June 30, 2021 and the Applicant's Rule 42 Exhibit submitted with the application.
 - C. Staff notes the Applicant filed an application on June 24, 2022 to increase its rates (Case No. 22-0577-PSD-19A).
 - D. Staff notes the Applicant expects the proposed rates (\$61.34 for 3,400 gallons) to be the rates in effect following completion of the Fire Fox Resort Project (IJDC Project No. 2022S-2121).
 - E. Staff notes the Applicant's Rule 42 Exhibit includes a going-level column, a pre-project proforma column for the Fire Fox Resort Project, and a post-project proforma column for the Phase II Pump Station Upgrade (the project to which the application pertains). For purposes of this review, Staff's analysis is focused on the proforma column for the Phase II Pump Station Upgrade.
 - F. Staff notes the Applicant has reflected going-level adjustments and proforma adjustments related to the Fire Fox Resort Project. For purposes of this review, Staff accepted the going-level and proforma adjustments to revenues and operation and maintenance (O&M) expenses.
 - G. Staff has included a Scenario 3 analysis. Staff notes that the project sponsor is proposing a CWSRF Loan at 1.75%, .25% Admin. Fee, for 30 years. Since proposed target rates of \$61.34 (3,400 gallons) are greater than 1.75% of MHI (\$55.92) but less than 2% (\$63.91) of the MHI, the terms of this proposed CWSRF Loan would typically be .75%, .25% Admin. Fee, for 30 years, for the preferred funding package. If the preferred funding package is adjusted for this change, proposed average

target rates (\$61.34 for 3,400 gallons) would provide a cash flow surplus of \$103,444 and debt service coverage of 146.67%.

- H. 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: James W. Ellars

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). Staff notes that an affirmative determination of need for the project must be established in a Certificate filing at the PSC.
2. Scope: Consists of the following main items:
 - Rehabilitation of the concrete at the RPOC Phase II pump station, wet well, and associated preliminary treatment facilities;
 - Upgrade the capacity of the RPOC Phase II pump station from 2650 GPM to 3150 GPM.

Construction Cost is estimated at = \$1,213,000

Total Project Cost is estimated at = \$1,700,000

Technical review staff takes no exception to these estimates.

3. Customer Density/Cost per Customer:
4. Project Feasibility: The project is technically feasible. The SRSPSD is responsible for operating and maintaining the RPOC Phase II Pump Station in accordance with the RPOC agreement between Salt Rock Sewer PSD, the City of Milton, and Culloden PSD. The PER indicates that concerns arose regarding the Phase II pump station's capability to handle the expected increased flows from the City of Milton. Moreover, completion of the project would accomplish the following:

- Reduce the risk of failure at the Phase II Pump Station site;
 - Maintain NPDES permit compliance;
 - Support the development of a large commercial/residential development site east of Milton;
 - Reduce the risk of sewer overflows.
5. Project Alternatives: The PER provides an analysis and comparison of the following alternatives: 1) Reducing Infiltration/Inflow Versus Upgrading Phase II Pump Station; 2) Replacement of Phase II Pump Station Wet Well Versus Rehabilitation of Phase II Pump Station; 3) Remove Phase II Pump Station and Relocate Preliminary Treatment Facilities; 4) Upgraded Capacity of Phase II Pump Station to Greater Than 3150 GPM Versus Upgrading Capacity to 3150 GPM. Technical review staff takes no exception to the selected alternative.
 6. Consolidation: No consolidation opportunities are presented as a result of this project.
 7. Inconsistencies: None noted.
 8. Operation and Maintenance (O & M) Expenses: The PER estimates the increase in annual O&M expenses to be approximately \$6,250 per year. This is due to increases in power costs as a result of additional flows expected from the City of Milton's collection system.
 9. 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 equal to 21.46% of the construction cost of \$1,213,000 (including contingency).

<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>

SALT ROCK SEWER PUBLIC SERVICE DISTRICT
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2021
 APPLICATION NO: 2022S-2169
 July 5, 2022

PREFERRED FUNDING PACKAGE
 SCENARIO 1

	Cash Flow Going Level Per Application Before Project	Cash Flow Post-Project Proforma Per Application with Project	Staff Adjustments	Per Staff Analysis
	1	2	3	4
	\$	\$	\$	\$
AVAILABLE CASH				
Operating Revenues	2,493,263	2,603,577	(129,490) (1)	2,474,087
Other Operating Revenue	34,090	34,090	-	34,090
SB 234 Annual Working Cash Collections			129,490 (2)	129,490
Interest Income & Other Misc.	43,862	43,862	-	43,862
Total Cash Available	2,571,215	2,681,529	-	2,681,529
OPERATING DEDUCTIONS				
Operating Expenses	1,622,261	1,628,511	627 (3)	1,629,138
Taxes	40,819	40,819	-	40,819
Total Cash Requirements Before Debt Service	1,663,080	1,669,330	627	1,669,957
Cash Available for Debt Service (A)	908,135	1,012,199	(627)	1,011,572
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	671,744	693,044	(591) (4)	692,453
Other Debt	24,463	24,463	-	24,463
Reserve Account @ 10%		2,130	(59) (5)	2,071
Renewal & Replacement Fund (2.5%)	64,280	67,038	(4,334) (6)	62,704
Total Debt Service Requirement	760,487	786,675	(4,984)	781,692
SB 234 Cash Working Capital - Salt Rock	129,451	129,490	-	129,490
Remaining Cash	18,197	96,034	4,357	100,390
Percent Coverage (A) / (B)	135.19%	146.05%		146.09%
Average rate for 3,400 gallons	\$ 57.86	\$ 61.34	\$ -	\$ 61.34
Average rate for 4,000 gallons	\$ 65.32	\$ 69.25	\$ -	\$ 69.25

SALT ROCK SEWER PUBLIC SERVICE DISTRICT
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2021
 APPLICATION NO: 2022S-2169

Attachment A
 PREFERRED FUNDING PACKAGE
 SCENARIO 1

Staff Adjustments

<u>Adjustment Description</u>		\$	Increase <Decrease>
(1) Operating Revenues	Per Staff Analysis	2,474,087	(129,490)
	Per Application with Project	2,603,577	
Adjust revenues in accordance with PSC General Order 183.11.			
(2) SB 234 Annual Working Cash Collections	Per Staff Analysis	129,490	129,490
	Per Application with Project	-	
Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3) Operating Expenses	Per Staff Analysis	1,629,138	627
	Per Application with Project	1,628,511	
To adjust for a .25% administrative fee associated with the CWSRF Loan.			
(4) Principal & Interest	Per Staff Analysis	692,453	(591)
	Per Application with Project	693,044	
The difference in P&I is related to Staff's calculation of a loan of \$480,165 for 30 years at 2%.			
(5) Reserve Account @ 10%	Per Staff Analysis	2,071	(59)
	Per Application with Project	2,130	
Staff assumed a 10% reserve on the new debt.			
(6) Renewal & Replacement Fund (2.5%)	Per Staff Analysis	62,704	(4,334)
	Per Application with Project	67,038	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

SALT ROCK SEWER PUBLIC SERVICE DISTRICT
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2021
 APPLICATION NO: 2022S-2169
 July 5, 2022

**LOAN PACKAGE
 SCENARIO 2**

	Cash Flow Going Level Per Application Before Project	Cash Flow Post-Project Proforma Per Application with Project	Staff Adjustments	Per Staff Analysis
	1	2	3	4
	\$	\$	\$	\$
<u>AVAILABLE CASH</u>				
Operating Revenues	2,493,263	2,611,668	(129,490) (1)	2,482,178
Other Operating Revenue	34,090	34,090	-	34,090
SB 234 Annual Working Cash Collections			129,490 (2)	129,490
Interest Income & Other Misc.	43,862	43,862	-	43,862
Total Cash Available	2,571,215	2,689,620	-	2,689,620
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	1,622,261	1,628,511	-	1,628,511
Taxes	40,819	40,819	-	40,819
Total Cash Requirements Before Debt Service	1,663,080	1,669,330	-	1,669,330
Cash Available for Debt Service (A)	908,135	1,020,290	-	1,020,290
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	671,744	700,004	206 (3)	700,210
Other Debt	24,463	24,463	-	24,463
Reserve Account @ 10%		2,826	21 (4)	2,847
Renewal & Replacement Fund (2.5%)	64,280	67,240	(4,333) (5)	62,907
Total Debt Service Requirement	760,487	794,533	(4,106)	790,427
SB 234 Cash Working Capital - Salt Rock	129,451	129,490	-	129,490
Remaining Cash	18,197	96,267	4,106	100,373
Percent Coverage (A) / (B)	135.19%	145.75%		145.71%
Average rate for 3,400 gallons	\$ 57.86	\$ 61.65	\$ -	\$ 61.65
Average rate for 4,000 gallons	\$ 65.32	\$ 69.60	\$ -	\$ 69.60

SALT ROCK SEWER PUBLIC SERVICE DISTRICT
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2021
 APPLICATION NO: 2022S-2169

Attachment B
 LOAN PACKAGE
 SCENARIO 2

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis Per Application with Project	2,482,178 2,611,668	(129,490)
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis Per Application with Project	129,490 -	129,490
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	Principal & Interest	Per Staff Analysis Per Application with Project	700,210 700,004	206
	The difference in P&I is related to Staff's calculation of a loan of \$480,165 for 40 years (paid back over 38 years) at 5%.			
(4)	Reserve Account @ 10%	Per Staff Analysis Per Application with Project	2,847 2,826	21
	Staff assumed a 10% reserve on the new debt.			
(5)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis Per Application with Project	62,907 67,240	(4,333)
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

SALT ROCK SEWER PUBLIC SERVICE DISTRICT
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2021
 APPLICATION NO: 2022S-2169
 July 5, 2022

**ALTERNATE FUNDING PACKAGE
 SCENARIO 3**

	Cash Flow Going Level Per Application Before Project	Cash Flow Post-Project Proforma Per Application with Project	Staff Adjustments	Per Staff Analysis
	1	2	3	4
	\$	\$	\$	\$
<u>AVAILABLE CASH</u>				
Operating Revenues	2,493,263	2,603,577	(129,490) (1)	2,474,087
Other Operating Revenue	34,090	34,090	-	34,090
SB 234 Annual Working Cash Collections			129,490 (2)	129,490
Interest Income & Other Misc.	43,862	43,862	-	43,862
Total Cash Available	2,571,215	2,681,529	-	2,681,529
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	1,622,261	1,628,511	627 (3)	1,629,138
Taxes	40,819	40,819	-	40,819
Total Cash Requirements Before Debt Service	1,663,080	1,669,330	627	1,669,957
Cash Available for Debt Service (A)	908,135	1,012,199	(627)	1,011,572
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	671,744	693,044	(3,367) (4)	689,677
Other Debt	24,463	24,463	-	24,463
Reserve Account @ 10%		2,130	(337) (5)	1,793
Renewal & Replacement Fund (2.5%)	64,280	67,038	(4,334) (6)	62,704
Total Debt Service Requirement	760,487	786,675	(8,037)	778,638
SB 234 Cash Working Capital - Salt Rock	129,451	129,490	-	129,490
Remaining Cash	18,197	96,034	7,410	103,444
Percent Coverage (A) / (B)	135.19%	146.05%		146.67%
Average rate for 3,400 gallons	\$ 57.86	\$ 61.34	\$ -	\$ 61.34
Average rate for 4,000 gallons	\$ 65.32	\$ 69.25	\$ -	\$ 69.25

SALT ROCK SEWER PUBLIC SERVICE DISTRICT
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2021
 APPLICATION NO: 2022S-2169

Attachment C
 ALTERNATE FUNDING PACKAGE
 SCENARIO 3

Staff Adjustments

<u>Adjustment Description</u>		\$	Increase <Decrease>
(1) Operating Revenues	Per Staff Analysis	2,474,087	(129,490)
	Per Application with Project	2,603,577	
Adjust revenues in accordance with PSC General Order 183.11.			
(2) SB 234 Annual Working Cash Collections	Per Staff Analysis	129,490	129,490
	Per Application with Project	-	
Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3) Operating Expenses	Per Staff Analysis	1,629,138	627
	Per Application with Project	1,628,511	
The difference in Operating Expenses is due to Staff's calculation of a 0.25% administrative fee for 30 years.			
(4) Principal & Interest	Per Staff Analysis	689,677	(3,367)
	Per Application with Project	693,044	
The difference in P&I is related to Staff's calculation of a loan of \$480,165 for 30 years at 0.75% interest, 0.25% administrative fee.			
(5) Reserve Account @ 10%	Per Staff Analysis	1,793	(337)
	Per Application with Project	2,130	
Staff assumed a 10% reserve on the new debt.			
(6) Renewal & Replacement Fund (2.5%)	Per Staff Analysis	62,704	(4,334)
	Per Application with Project	67,038	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			