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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., Program Manager  
Sewer Technical Review Committee

**Date:** December 12, 2025

**Subject:** Sissonville Public Service District  
IJDC Application - 2025S-2725  
Wastewater Treatment Plant and Wastewater Collection  
System Improvements - Phase 2

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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.

Promoting a healthy environment.

- c.    \_\_\_    The Funding Committee does not need to review the funding assumptions on this project. This project will need to be tabled to give time for the PSC to complete the review.
- d.    \_\_\_    This project should be referred to the Consolidation Committee.

3. Other remarks:

This is phase two of a multiple phase project that will rehabilitate/replace the belt press, SCADA system, grit removal system and other components at the WWTP. The collection system will also be addressed by replacing pumps, providing emergency back up power to several pump stations and removing/replacing deteriorated sections of the system. This project will address the aging/deteriorating system and reduce daily maintenance costs. Cybersecurity measures should be considered in the design of this project.

The Total Engineering Fees are above the ASCE curve and will need a fee variance.

The total cost for this project is 3,680,000 and the PSD intends to pursue a \$500,000 WV IJDC grant, a \$1,613,000 WVDEP CWSRF loan, a \$1,500,000 CWSRF principal forgiveness loan, and the PSD will contribute \$67,000.

Preliminary Project Ratings:

Public Health Benefits:       5  
Compliance with Standards:   5



STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH  
BUREAU FOR PUBLIC HEALTH  
OFFICE OF ENVIRONMENTAL HEALTH SERVICES

Arvin Singh, EdD, MBA, MPH, MS, FACHDM, FACHE  
Secretary of Health

Jason R. Frame  
OEHS Director

**MEMORANDUM**

**TO:** Meredith J. Vance, Director  
Environmental Engineering Division

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

**DATE:** December 1, 2025

**SUBJECT:** Sissonville Public Service District  
IJDC Application- **2025S-2725**  
Wastewater Treatment Plant and Collection System Upgrades  
Kanawha County

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

**Project Scope:** This project proposes significant upgrades at the wastewater treatment plant, pump stations, SCADA, and collection system as outlined in the preliminary engineering report.

The total project cost is **\$3,680,000.00**.

**Need for the Project:** The preliminary engineering report does not identify any specific need for this project. It instead states that the need is from observations of deficiencies noted by system personnel.

**Concerns:** The concern with this project is that the need for the project is not the result of identifiable issues or an engineering analysis.

**Permits:** Permits expected to be required include:

- WV Bureau of Public Health Permit
- WVDEP NPDES and Construction Permits
- WV State Historical and Preservation Office
- US Corps of Engineers





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**MEMORANDUM**

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

**FROM:** Daniel Bailey, E.I., CFM, DWWM

**DATE:** December 5, 2025

**SUBJECT:** Sissonville Public Service District  
IJDC Application - 2025S-2725  
Wastewater Treatment Plant and Wastewater Collection System  
Improvements - Phase 2

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**RECOMMENDATION**

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

**PROJECT DESCRIPTION**

The Sissonville Public Service District (PSD) owns and operates a sewer collection and treatment system serving customers in Kanawha County, West Virginia. The PSD intends to rehabilitate and replace portions of the 0.6 MGD WWTP and collection system due to aging in the system. The current wastewater treatment plant discharges into the Pocatalico River, a tributary of the Kanawha River.

The proposed project will include belt press rehabilitation, SCADA system replacement/update, modification to the grit removal system, pump station rehabilitations, add DO sensors/equipment, replace gate valves on chlorine tank, rehabilitate control building, remove and replace perimeter fencing, add a garage building, replace influent flow meter, add emergency generators for 3 pump stations, replace pumps in 10 pump stations, remove and replace 15 manholes, pump station wet well rehabilitation, and obtain equipment necessary for maintenance operations.

The proposed total cost for this project is \$3,680,000 and PSD intends to pursue a \$500,000 WV IJDC grant, a \$1,613,000 WVDEP CWSRF loan (0.75% for 20 years), a \$1,500,000 CWSRF principal forgiveness loan, and contribute \$67,000. The current monthly rate for 3,400 gallons is \$48.65 (1.16% MHI) (based on the Combined Application).

### **NEED FOR PROJECT**

Many of the aging WWTP components have reached the end of their useful life and require replacement/upgrades. Much of the collection/conveyance system has reached a point where rehabilitation/replacement is necessary. The scope of this project is the result primarily of the observations and evaluations by the plant and collections system operators and managers, and their identification of deficiencies at the treatment plant and the collection system.

### **DEFICIENCIES/COMMENTS**

- PER states that rates would not need to be increased as a result of this project, however the application calls for a rate increase due to the project.
- Using the Combined Application, the Design Engineering Fees appear to be within the ASCE curve. The Total Engineering Fees appear to be higher than the ASCE curve and will need a fee waiver/justification.

#### **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



December 8, 2025

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. 2025S-2725  
Sissonville PSD – Sewer System Improvements (Phase II)  
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:

- ☒ 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:** December 8, 2025

**PROJECT SPONSOR:** **SISSONVILLE PUBLIC SERVICE DISTRICT –  
(SEWER)**

**PROJECT SUMMARY:** Sissonville PSD is proposing Phase II upgrades and improvements to its existing collection and treatment system.

<b>PROPOSED FUNDING:</b> CWSRF Loan (1.75%, .25% AF, 30 yrs.)	\$1,613,000
CWSRF Principal Forgiveness Loan	1,500,000
IJDC Grant	500,000
PSD Contribution	<u>67,000</u>
Total	\$ 3,680,000

<b>CURRENT RATES:</b>	\$ 58.38	3,400 gallons
	\$ 68.68	4,000 gallons

<b>PROPOSED RATES:</b>	\$ 62.70	3,400 gallons
	\$ 73.76	4,000 gallons

Application No. 2025S-2725

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

**FINANCIAL:** Bob Cadle

1. Current rates (\$58.38 for 3,400 gallons) are above the rates attributable to 1.25% (\$49.09) of the Median Household Income (MHI), but below the rates attributable to 1.5% (\$58.90), 1.75% (\$68.72), and 2% (\$78.54) of the MHI. Increasing current rates to 1.5%, 1.75% and 2.0% of the MHI would provide additional revenues of \$11,686, \$231,248 and \$450,810 respectively.
2. Using Scenario 1, the preferred funding package consisting of a CWSRF Loan of \$1,613,000 at 1.75%, .25% Admin. Fee, for 30 years, a CWSRF Principal Forgiveness Loan of \$1,500,000, an IJDC Grant of \$500,000 and a Public Service District Contribution of \$67,000, proposed rates (\$62.70 for

3,400 gallons) will provide a cash flow deficit of \$8,852 and debt service coverage of 175.03%. An additional .6% (for a total of \$63.08 for 3,400 gallons) increase in proposed rates will be required to provide a cash flow surplus of \$21 and debt service coverage of 178.29%.

3. Using the Scenario 2 alternate loan package of \$3,613,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), and committed funds consisting of a Public Service District Contribution of \$67,000, proposed rates (\$69.53 for 3,400 gallons) will provide a cash flow deficit of \$14,670 and debt service coverage of 152.35%. An additional 1.0% (for a total of \$70.23 for 3,400 gallons) increase in proposed rates would be required to provide a cash flow surplus of \$930 and debt service coverage of 156.13%.

#### 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 applicants Rule 42 Exhibit submitted with the application.
- C. It should be noted that the Applicant's Cash Flow Analyses reflect Going Level rates of (\$58.38 for 3,400 gallons). These rates were approved in Case No. 24-0305-PSD-42P and became effective as of October 15, 2025. Staff utilized these rates in its analyses.
- D. Staff also notes, its Cash Flow Analyses maintain and reflect the Cash Working Capital Reserve amounts of \$102,168 at Going Level and \$130,122 at Proforma for both the revenue collections and reserve contributions. The Applicant reflected different amounts for Proforma revenue collections.
- E. Staff based its CWSRF loan terms (1.75%, .25% Admin. Fee, 30 yrs.) based on guidance from the WVDEP. It should be noted that the project sponsor is proposing to use the MHI for Kanawha County, District 4 of \$42,112 from the 2020 U.S. Census, in its application. If the District 4 MHI is used, the District would be eligible for more favorable loan terms.



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:** 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: Sissonville PSD proposes Phase 2 improvements to its wastewater treatment plant and collection system. The improvements involve numerous upgrades and rehabilitations identified by District staff which are not encompassed in the Phase 1 project currently under construction. Phase 2 improvements include belt press rehabilitation, modification of the grit removal system, a new SCADA system, rehabilitation of two pump stations, replacement of 16 manholes, and several equipment purchases.

Customer Density: N/A

Cost per Customer: \$2,279

Taken from the total project cost estimate of \$3,680,000 spread over 1,615 existing customers.

3. Project Feasibility: The project is technically feasible. The cost per customer is reasonable. The project will address numerous needed improvements within the system which are not encompassed in the Phase 1 project.
4. Project Alternatives: Due to the nature and low cost of individual improvements within the project, alternatives were not evaluated. The project includes numerous rehabilitations, replacements, and upgrades. Advantages/Disadvantages as well as the need for improvements were explained.
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 \$2,200 annually as a result of the project. The estimate is itemized, but supporting calculations were not 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 \$653,500 which is equal to 23.63% of the construction cost of \$2,765,750 (including contingency).

SISSONVILLE PUBLIC SERVICE DISTRICT - SEWER  
 CASH FLOW ANALYSIS  
 YEAR ENDED: June 30, 2024  
 APPLICATION NO: 2025S-2725  
 December 8, 2025

**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	1,318,250	1,395,426	9,100 (1)	1,404,526
Other Operating Revenue	38,699	40,481	-	40,481
SB 234 Annual Working Cash Collections	102,168	130,122	-	130,122
Interest Income & Other Misc.	662	662	-	662
Total Cash Available	1,459,779	1,566,691	9,100	1,575,791
<b>OPERATING DEDUCTIONS</b>				
Operating Expenses	1,037,762	1,040,972	2,108 (2)	1,043,080
Taxes	35,773	36,036	-	36,036
Total Cash Requirements Before Debt Service	1,073,535	1,077,008	2,108	1,079,116
Cash Available for Debt Service (A)	386,244	489,683	6,992	496,675
<b>DEBT SERVICE REQUIREMENTS</b>				
Principal & Interest (B)	209,001	271,255	7,314 (3)	278,569
Other Debt	47,567	23,981	-	23,981
Reserve Account @ 10%	20,900	27,126	731 (4)	27,857
Renewal & Replacement Fund (2.5%)	33,717	35,691	434 (5)	36,125
Total Debt Service Requirement	311,185	358,053	8,479	366,532
SB 234 Cash Working Capital	102,168	130,122		130,122
Remaining Cash	(27,109)	1,508	(1,487)	21
Percent Coverage (A) / (B)	184.80%	180.52%		178.29%
Average rate for 3,400 gallons	\$ 58.38	\$ 62.70	\$ 0.38	\$ 63.08
Average rate for 4,000 gallons	\$ 68.68	\$ 73.76	\$ 0.44	\$ 74.20

**SISSONVILLE PUBLIC SERVICE DISTRICT - SEWER**  
**CASH FLOW ANALYSIS**  
**YEAR ENDED: June 30, 2024**  
**APPLICATION NO: 2025S-2725**

**Attachment A**  
**PREFERRED FUNDING PACKAGE**  
**SCENARIO 1**

**Staff Adjustments**

<u>Adjustment Description</u>		\$	Increase <Decrease>	
(1)	<b>Operating Revenues</b>	<b>Per Staff Analysis Per Application with Project</b>	<b>1,404,526 1,395,426</b>	<b>9,100</b>
Staff also projected that an additional \$9,100 in revenues would be needed to achieve 115% debt service coverage and a positive cash flow surplus.				
(2)	<b>Operating Expenses</b>	<b>Per Staff Analysis Per Application with Project</b>	<b>1,043,080 1,040,972</b>	<b>2,108</b>
Staff's calculation includes additional Administration expense for the CWSRF Loan.				
(3)	<b>Principal &amp; Interest</b>	<b>Per Staff Analysis Per Application with Project</b>	<b>278,569 271,255</b>	<b>7,314</b>
The difference in P&I is related to Staff's calculation of a loan of \$1,613,000 for 30 years at 1.75%				
(4)	<b>Reserve Account @ 10%</b>	<b>Per Staff Analysis Per Application with Project</b>	<b>27,857 27,126</b>	<b>731</b>
Staff assumed a 10% reserve on the new debt.				
(5)	<b>Renewal &amp; Replacement Fund (2.5%)</b>	<b>Per Staff Analysis Per Application with Project</b>	<b>36,125 35,691</b>	<b>434</b>
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				

SISSONVILLE PUBLIC SERVICE DISTRICT - SEWER  
 CASH FLOW ANALYSIS  
 YEAR ENDED: June 30, 2024  
 APPLICATION NO: 2025S-2725  
 December 8, 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
	\$	\$	\$	\$
<b>AVAILABLE CASH</b>				
Operating Revenues	1,318,250	1,547,483	16,000 (1)	1,563,483
Other Operating Revenue	38,699	43,992	-	43,992
SB 234 Annual Working Cash Collections	102,168	130,122	-	130,122
Interest Income & Other Misc.	662	662	-	662
Total Cash Available	1,459,779	1,722,259	16,000	1,738,259
<b>OPERATING DEDUCTIONS</b>				
Operating Expenses	1,037,762	1,040,972	-	1,040,972
Taxes	35,773	36,553	-	36,553
Total Cash Requirements Before Debt Service	1,073,535	1,077,525	-	1,077,525
Cash Available for Debt Service (A)	386,244	644,734	16,000	660,734
<b>DEBT SERVICE REQUIREMENTS</b>				
Principal & Interest (B)	209,001	421,936	1,259 (2)	423,195
Other Debt	47,567	23,981	-	23,981
Reserve Account @ 10%	20,900	42,194	125 (3)	42,319
Renewal & Replacement Fund (2.5%)	33,717	39,580	607 (4)	40,187
Total Debt Service Requirement	311,185	527,691	1,991	529,682
SB 234 Cash Working Capital	102,168	130,122		130,122
Remaining Cash	(27,109)	(13,079)	14,009	930
Percent Coverage (A) / (B)	184.80%	152.80%		156.13%
Average rate for 3,400 gallons	\$ 58.38	\$ 69.53	\$ 0.70	\$ 70.23
Average rate for 4,000 gallons	\$ 68.68	\$ 81.80	\$ 0.82	\$ 82.62

**SISSONVILLE PUBLIC SERVICE DISTRICT - SEWER**  
**CASH FLOW ANALYSIS**  
**YEAR ENDED: June 30, 2024**  
**APPLICATION NO: 2025S-2725**

**Attachment B**  
**LOAN FUNDING PACKAGE**  
**SCENARIO 2**

**Staff Adjustments**

<u>Adjustment Description</u>		\$	Increase <Decrease>	
(1)	Operating Revenues	Per Staff Analysis	1,563,483	16,000
		Per Application with Project	1,547,483	
Staff projected that an additional \$16,000 in revenues would be needed to achieve 115% debt service coverage and a positive cash flow surplus.				
(2)	Principal & Interest	Per Staff Analysis	423,195	1,259
		Per Application with Project	421,936	
The difference in P&I is related to Staff's calculation of a loan of \$3,613,000 for 40 years (paid back over 38 years) at 5%.				
(3)	Reserve Account @ 10%	Per Staff Analysis	42,319	125
		Per Application with Project	42,194	
Staff assumed a 10% reserve on the new debt.				
(4)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	40,187	607
		Per Application with Project	39,580	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				