



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
Bureau for Public Health
Office of Environmental Health Services

Bill J. Crouch
Cabinet Secretary

Ayne Amjad, MD, MPH
Commissioner & State Health Officer

MEMORANDUM

TO: Marie Prezioso, Funding Committee
WV Infrastructure and Jobs Development Council

FROM: Meredith J. Vance
Water Technical Review Committee

DATE: September 27, 2022

RE: Town of Newburg
IJDC Preliminary Application Number: **2022W-2208**
Independence Area and Annon Run Water Extension
Preston County

1. The Committee has reviewed the pre-application and preliminary engineering report submitted for the above referenced project in accordance with Chapter 31, Article 15-A. It has been determined that the project is:
 - a. Consistent with the intent of the Infrastructure and Jobs Development Act and is the most cost-effective and environmentally sound alternative for solving the drinking water needs in this area.
 - b. Consistent with the Act but may not be the most cost-effective and environmentally sound alternative for solving the drinking water needs in this area.
 - c. Consistent with the intent of the Act and most cost-effective and environmentally sound alternative for solving the drinking water needs in this area **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 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 application. The proposed project funding should be postponed until technical comments have been resolved.
- d. The project to be referred to the Consolidation Committee.

3. Other remarks:

Comment:

This preliminary application appears technically feasible.

This Preliminary Application proposes to extend water service to the community of Independence in Preston County in order to provide public water service to 43 new customers.

The requested funding package includes an IJDC Critical Needs Grant: **\$2,000,000** and Preston County has committed \$200,000 from ARPA grant for potential bid overruns.

The total project cost is **\$2,000,000**.

pc: To be distributed at the Funding Committee Meeting

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MEMORANDUM

TO: Meredith J. Vance, Director
Environmental Engineering Division

FROM: Christopher Thomas, EIT
Infrastructure & Capacity Development

DATE: September 27, 2022

SUBJECT: Town of Newburg
IJDC Application- **2022W-2208**
Independence Area and Annon Run Water Extension
Preston County

Recommendation:

This preliminary application appears technically feasible and is recommended to be forwarded to the Funding Committee.

Project Scope:

This Preliminary Application proposes to extend water service to the community of Independence in Preston County in order to provide public water service to 43 new customers and a church. The proposed project would consist of 35,800 feet of 4" water mains and 852 feet of 2" water mains. A current constant pressure pumping station will be eliminated as part of the project.

The cost per customer is **\$46,511** for the project. The total project cost is **\$2,000,000** (IJDC Critical Needs Grant: **\$2,000,000**). Preston County has committed \$200,000 from ARPA grant for potential bid overruns.

Need for the Project:

Coal mines underlay a large portion of the community affecting the natural water supplies of Independence and surrounding area. All of the residents have private water supplies consisting of springs and wells. Some places have no water and haul, some have poor water quality (red water) and others run out of water in the summer months. Many purchase drinking water as the private supply is not desirable to drink.

Concerns:

- No concerns noted.

Permits:

A permit will be required from the WV Bureau for Public Health prior to construction.

Engineering: 5.9% for design, 13.0% for total.

The Design Fees vs. Construction Cost for modifications is below both the average complexity curve and the very complex curve. The Total Fees vs. Construction Cost for modified construction is below both the average complexity curve and the very complex curve.

A fee waiver **will not be** required for this project.

Asset Management Plan and Annual Maintenance Audit:

The system indicates in the application that they do not have an asset management plan.

Capacity Development:

The question about having had a capacity development assessment (CDA) within the last 5 years was marked as “no.” There is no record of an assessment of the system.

Additional information that may be helpful to the IJDC in their decisions regarding approval of this project relates to the system’s overall compliance. The system has a score of zero on the July 2022 quarter of the EPA’s Compliance Tracking Tool (ETT.)

Based upon information from the Municipal Bond Commission, as of July 2022, the Town of Newburg is current on their water reserve funding requirements.

IJDC Ranking:

- Public Health Benefit: 5
- Compliance: 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



September 6, 2022

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. 2022W-2208
Town of Newburg
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,

Jonathan M. Fowler, P.E.
Engineering Division

JMF:vb

**PUBLIC SERVICE COMMISSION STAFF
TECHNICAL REVIEW**

DATE: September 6, 2022

PROJECT SPONSOR: TOWN OF NEWBURG

PROJECT SUMMARY: The proposed critical needs project would consist of 35,800 feet of 4" water mains and 852 feet of 2" water mains to serve 44 residents and a church.

PROPOSED FUNDING: IJDC Critical Needs Grant \$2,000,000

**CURRENT/
PROPOSED RATES:**

| | |
|---------|-----------------------------------|
| \$33.05 | 3,400 gallons (Schedule I Rates) |
| \$38.88 | 4,000 gallons (Schedule I Rates) |
| \$42.47 | 3,400 gallons (Schedule II Rates) |
| \$49.96 | 4,000 gallons (Schedule II Rates) |

Application No. 2022W-2208

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

FINANCIAL: David L. Acord, II

1. Current average rates (\$37.76 for 3,400 gallons) are below the rate attributable to 1.25% (\$43.60), 1.5% (\$52.32), 1.75% (\$61.04) and 2.0% (\$69.76) of the Median Household Income.
2. For purposes of this review, Staff is assuming 100% grant funding. Therefore, no cash flow is provided.

NOTES TO COMMENTS:

- A. Staff used the MHI for the Town of Newburg of \$41,853 from the 2020 U.S. Census versus the MHI of \$51,992 (Preston County) that was listed in the application.

- B. The preliminary application notes that the Preston County Commission has allocated ARPA funds to this project in the amount of \$200,000 to supplement the project in case of a bid overrun.
- C. 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. The project sponsor would need to have non-restricted funds available to meet the 1/8 requirement, otherwise, they may need to take steps to fund this reserve. This 1/8 requirement, along with any steps taken to fund this reserve, may be evaluated by the Commission in future filings in accordance with Public Service Commission General Order 183.11.
- D. 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.
- E. The Town 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: Mansour Mashayekhi

1. This project may not require a Certificate of Convenience and Necessity from the PSC. The utility should consult with Commission Staff pursuant to General Order 246 for such determination. If a Certificate is required the utility 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) et seq.
2. **Scope:** The proposed critical needs project would consist of 35,800 feet of 4" water mains and 852 feet of 2" water mains to serve 42 residents and a Church.

The estimated budget of the project is \$2,000,000. The proposed funding includes the following: An IJDC Critical Needs Grant of \$2,000,000.

3. ***Need for Project:*** Coal mines underlay a large portion of the community affecting the natural water supplies of Independence and surrounding area. All of the residents have private water supplies consisting of springs and wells. Some places have no water and haul, some have poor water quality (red water) and others run out of water during the summer months. Many are purchasing drinking water as the private supply is not desirable to drink.
4. ***Customer Density:*** Customer density for new 43 customers will be approximately 6.2 new customers per mile.
5. ***Cost per Customer:*** Based upon the estimated project cost of \$2,000,0000, and proposing to have approximately 43 new customers, the capital cost of cost-per-customers will be approximately \$46,512. However, this project is entirely grant funded, therefore, new customers bear no capital project expenses.
6. ***Project Feasibility:*** This project appears to be technically feasible and poses little technical risk.
7. ***Project Alternatives:*** Alternatives were considered with the development of the AML project. The AML project was the first phase of the water main extensions for the Independence area. This project is the second phase which connects to the first phase of AML project.
8. ***Permits Required:*** The following permits for the project are expected to be required: None was provided.
9. ***Consolidation:*** There are no consolidation issues with the selected alternative.

10. **Inconsistencies:** None was noticed for this project.

11. **Operation and Maintenance (O&M) Expenses:** The PER and the Rule 42 show that the project's O&M costs are expected to increase by approximately \$10,404 to a total annual O&M expense of \$137,530.

12. **Engineering Agreement:** The applicant has provided documentation relative to compliance with West Virginia Code §5G-1-1, et seq. Based on the filing, the total design fees for engineering services are \$100,000 at the construction cost of \$1,687,500. This is approximately 5.93% of the construction cost as shown on the application.

| Preliminary Project Ranking | | |
|------------------------------------|---|------------|
| O & M Capabilities | | |
| Performance Measures: | 1 | <i>Pt.</i> |
| Asset Management: | 0 | <i>Pt.</i> |
| Environmental Management: | 0 | <i>Pt.</i> |
| Readiness to Proceed: | 0 | <i>Pt.</i> |
| Cost Effectiveness: | 1 | <i>Pt.</i> |
| Compliance with PSC Orders: | 0 | <i>Pt.</i> |




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) 926-0497

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: John M. Perkins 
Supervisor
General Permits & Support Team

DATE: August 17, 2022

SUBJECT: Infrastructure Preliminary Application for the Town of Newburg (2022W-2208):
Independence CN in Preston County, WV.

We have reviewed the above referenced project application information. The Town of Newburg discharges its backwash to its wastewater treatment plant, which is covered under WV/NPDES Permit No. WV0024597 and expires April 10, 2027.

If the Town of Newburg 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 Newburg should contact Mr. Jeremy Bandy or a member of his staff at (304)-926-0499, extension 43894 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 Newburg should contact Yogesh Patel or a member of his staff at (304)-926-0499, extension 43877 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 March 9, 2019. 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.

JMP:mam

cc: Katheryn Emery



west virginia department of environmental protection

Office of Abandoned Mine Lands & Reclamation
601 57th Street SE
Charleston, WV 25304

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

MEMORANDUM

To: Christopher Thomas, EIT
Infrastructure and Capacity Development

From: Roger A. Earle, P.E., Waterline Coordinator *RAE*
Office of Abandoned Mine Lands & Reclamation

Date: September 14, 2022

Subject: Town of Newburg – Independence Area Extensions CN
IJDC Preliminary Application: 2022W-2208

This area appears to be eligible to submit an Application for Assistance to the AML program. AML funds will only be committed if a study of the area determines that it was negatively impacted by pre-law mining. A copy of the Application for Assistance is attached to send to the applicant.

OEHS District Review for Infrastructure Council Water Projects

| | | | |
|----------------------|---------------------------------------|--------------|----------------|
| Water System: | Newburg | IJDC Number: | 2022W-2208 |
| Project Description: | Ext.: Independence Area and Annon Run | Review by: | Mike Hawranick |
| County: | Preston | Date: | 9/20/2022 |

| No. | Review Criteria | Yes | No | N/A | Comments (Especially if No is indicated or providing a DWTRF score) |
|-----|--|-----|----|-----|---|
| 1. | Does the district agree that the project scope seems to be the most feasible solution? | X | | | |
| 2. | Is this the most practical project to correct the problem stated in the application? | X | | | |
| 3. | Does the project solve the major operation maintenance problems in the water system? | X | | | |
| 4. | Does the project eliminate deficiencies noted in the sanitary survey? | X | | | |
| 5. | Should these improvements be made to this system versus another system that could serve the same area? | X | | | |
| 6. | The application has an alternative in it evaluating the most likely consolidation option? | | | X | |
| 7. | Do you agree with the need statement for the project? | X | | | |
| 8. | Has the engineer included all justification (that you are aware of) in the project application? | X | | | Nice job Morgan C. |
| 9. | Is the management of the water system capable of completing this project? | X | | | |
| 10. | Other comments | | | | |

| <u>No.</u> | <u>Review Criteria</u> | <u>Yes</u> | <u>No</u> | <u>N/A</u> | <u>Comments (Especially if No is indicated or providing a DWTRF score)</u> |
|-------------------|---|-------------------|------------------|-------------------|---|
| 11. | For new projects or projects with revised scope provide DWTRF Priority Ranking Public Health Score (Indicate score in the comments section with explanation)? | | | | |
| 12. | For new projects or projects with revised scope provide DWTRF Priority Ranking Compliance Score (Indicate score in the comments section with explanation)? | | | | |
| 13. | | | | | |
| 14. | | | | | |



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Ayne Amjad, MD, MPH
Commissioner & State Health Officer

MEMORANDUM

TO: Meredith Vance, Division Director
Environmental Engineering Division

FROM: Valerie Plance, Manager
Capacity Development Program

DATE: August 25, 2022

RE: Town of Newburg (PWSID# 3303920)
IJDC Application No.: 2022W-2208
Preston County

The preliminary infrastructure application indicates that they are not seeking DWTRF monies. The system indicates in the application that they do not have an asset management plan.

The question about having had a capacity development assessment (CDA) within the last 5 years was marked as "no." There is no record of an assessment of the system.

Additional information that may be helpful to the IJDC in their decisions regarding approval of this project relates to the system's overall compliance. The system has a score of zero on the July 2022 quarter of the EPA's Compliance Tracking Tool (ETT.)

Based upon information from the Municipal Bond Commission, as of July 2022, the Town of Newburg is current on their water reserve funding requirements.

If you require further information from the capacity development program, please contact me.

VAP