



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: August 14, 2025

Subject: City of Vienna
IJDC Application - 2025W-2678
Water System Improvements, Phase 1

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 water infrastructure near Glenbrook Drive, Carole Drive, 49th Street, 41st Street, 13th Avenue, and other adjacent locations. The existing lines have several issues that include being undersized(causing pressure and supply issues) and being constructed of galvanized steel and asbestos-cement. These materials are known to have reliability issues and potentially have a negative impact on human health. This project will address these issues.

The total cost for this project is \$9,230,000. The City intends to fund this project using a \$9,230,000 WVIJDC Loan for 20 years at 3% interest.

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: July 25, 2025

SUBJECT: City of Vienna
IJDC Application - 2025W-2678
Water System Improvements, Phase 1

RECOMMENDATION

The IJDC Application and Preliminary Engineering Report (PER) prepared by Burgess & Niple, Inc. for the above referenced project have been reviewed and are technically feasible.

PROJECT DESCRIPTION

The City of Vienna (City), located in Wood County, West Virginia, owns and operates a water distribution system under Public Water Service Identification (PWSID) No. WV3305411. The City's system provides water services to its local community and supplies bulk water to the Central Boaz Public Service District. The City maintains a water distribution system that encompasses over 60 miles of water mains, five storage tanks, and four booster stations. The system has an average daily flow of 0.75 million gallons per day (mgd), with an estimated peak daily flow of 1.6 mgd. As of 2024, the City distributes water to approximately 5,052 residential customers and 317 commercial customers. As indicated by the population projections for the surrounding area, customer count and water demand are not expected to increase in the future, nor will they likely increase as a result of this project.

This project will replace water infrastructure near Glenbrook Drive, Carole Drive, 49th Street, 41st Street, 13th Avenue, and other adjacent locations. The proposed work will include the installation of approximately 23,032 linear feet of water main and 112 valves ranging from two to eight inches in diameter. The project scope also includes 21 fire hydrants, reconnection of

approximately 400 customers, pavement replacement, site restoration, and other necessary appurtenances.

The proposed total cost for this project is \$9,230,000. The City intends to fund this project using a \$9,230,000 WVIJDC Loan for 20 years at 3% interest.

The current monthly user rate is \$16.75 (0.36% MHI) for 3,400 gallons, and it will increase to \$27.60 (0.60% MHI) following the completion of this project.

NEED FOR PROJECT

The existing water mains are sized at 1.25 inches or smaller, causing pressure and supply issues. Moreover, most of these mains are severely aged and constructed of galvanized steel, which is known to corrode and degrade over time. Factors attributed to aged galvanized steel not only result in an increase in line breakages and leaks, but they also have the potential to negatively impact human health. Additionally, the City has several old asbestos-cement (AC) lines that are currently in use and have experienced significant failures in the past. Similar to galvanized steel lines, AC lines are extremely brittle and also known to cause negative health effects when used in water distribution systems. Through the implementation of this project, the City intends to increase the level of service, resilience, and safety of its water distribution system for its customers.

DEFICIENCIES/COMMENTS

- Using the Combined Application, the Total Engineering Fees appear to be within the ASCE Curves.
- Water loss attributed to aging or failing system infrastructure has not been measured.
- It is recommended that a section summarizing the potential public health benefits resulting from this project be included in the PER.

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



August 13, 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-2678
Vienna, City 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
BC:

**PUBLIC SERVICE COMMISSION STAFF
TECHNICAL REVIEW**

DATE: August 13, 2025

PROJECT SPONSOR: CITY OF VIENNA – WATER

PROJECT SUMMARY: Improvements to the existing water distribution system.

PROPOSED FUNDING: IJDC Loan (3%, 20 yrs.) \$9,230,000

CURRENT RATES:	\$16.75	3,400 gallons
	\$18.25	4,000 gallons

PROPOSED RATES:	\$29.77	3,400 gallons
	\$32.44	4,000 gallons

Application No. 2025W-2678

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

FINANCIAL: Dave Acord

1. Current rates (\$16.75 for 3,400 gallons) are below the rates attributable to 1.25% (\$57.48), 1.5% (\$68.98), 1.75% (\$80.47), and 2% (\$91.97) of the Median Household Income (MHI). Increasing current rates to 1.25%, 1.5%, 1.75% and 2.0% of the MHI would provide additional revenues of \$3,647,885, \$4,677,495, \$5,707,105 and \$6,736,716 respectively.
2. Using Scenario 1, the preferred funding package consisting of an IJDC Loan of \$9,230,000 at 3% for 20 years, proposed rates (\$29.77 for 3,400 gallons) will provide a cash flow surplus of \$416,291 and debt service coverage of 197.10%.
3. Using the Scenario 2 alternate loan package of \$9,230,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates (\$28.30 for 3,400 gallons) will provide a cash flow surplus of \$370,486 and debt service coverage of 199.39%.

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 Rule 42 Exhibit submitted with the application.
- C. The project sponsor lists a Pre-Project Proforma rate (\$21.27 for 3,400 gallons) and a Post-Project Proforma rate (\$29.77 for 3,400 gallons) in its application, which staff used in its analysis.
- D. It should be noted that the Preliminary Engineering Report, Draft Rule 42 cash flow, and funding in the preliminary application are based on a project cost of \$9,230,000. The total project budget in the preliminary application report lists the cost as \$9,220,000. Staff used \$9,230,000 in its analysis.
- E. It should also be noted that the letter summarizing the cost of the water system improvements and proposed funding in the Draft Rule 42 lists the project cost and funding at \$3,610,000. That was the amount associated with the City's prior project number: 2024W-2556.
- 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. Based on the City's Per Books and Going-Level deficit it should consider pursuing an ordinance to adjust rates and resolve any deficiencies. The City 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. Staff notes that the City is a political subdivision of the state and it has at least 4,500

customers and annual gross revenues of \$3 million or more. Therefore, in accordance with Senate Bill 234, effective June 12, 2015, the Commission has no jurisdiction regarding the City's rates pursuant to WV Code 24-2-4b. However, the Commission does have jurisdiction pursuant to WV Code 24-2-1 (b)(6) for the investigation and resolution of disputes involving political subdivisions of the state regarding inter-utility agreements, rates, fees and charges, service areas and contested utility combinations.

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 City of Vienna proposes to install approximately 4.2 miles of 8-inch through 2-inch water mains, along with valves, hydrants, and appurtenances, throughout its distribution system. The project will replace aged and leak-prone lines, increase pipe diameter, and provide looping for better system performance. The project is part of the City's ongoing system improvement plans.

Customer Density: N/A

Cost per Customer: \$1,720

Taken from the total project cost estimate of \$9,220,000 spread over 5,359 existing customers.

3. Project Feasibility: The project is technically feasible. The cost per new customer is reasonable. The project addresses aged facilities, and provides for improved pressure and performance.
4. Project Alternatives: The alternative of using ductile iron pipe rather than PVC for water mains was evaluated, and found to result in a slightly higher construction cost.
5. Consolidation: No consolidation opportunities are presented by the project.
6. Inconsistencies: None were noted.
7. Operation and Maintenance (O & M) Expenses: For planning purposes, O

& M costs are not projected to change as a result of the project. Unquantified savings, however, are anticipated.

8. Engineering Agreement: The filing contains notification from IJDC to the applicant that compliance with West Virginia Code §§5G-1-1, et seq is in question. Total technical services (engineering) costs for the project are \$1,217,300 which is equal to 15.55% of the construction cost of \$7,830,000 (including contingency).

CITY OF VIENNA - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025W-2678
August 13, 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
	\$	\$	\$	\$
<u>AVAILABLE CASH</u>				
Operating Revenues	1,500,166	2,618,159	(153,530) (1)	2,464,629
Other Operating Revenue	25,315	25,315	-	25,315
SB 234 Annual Working Cash Collections			153,530 (2)	153,530
Interest Income & Other Misc.	30,680	30,680	-	30,680
Total Cash Available	1,556,161	2,674,154	-	2,674,154
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	1,228,237	1,228,237	-	1,228,237
Taxes	36,958	36,958	-	36,958
Total Cash Requirements Before Debt Service	1,265,195	1,265,195	-	1,265,195
Cash Available for Debt Servi (A)	290,966	1,408,959	-	1,408,959
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	94,448	758,702	(43,853) (3)	714,849
Other Debt	-	-	-	-
Reserve Account @ 10%	-	66,425	(4,385) (4)	62,040
Renewal & Replacement Fund (2.5%)	38,904	66,854	(4,605) (5)	62,249
Total Debt Service Requirement	133,352	891,981	(52,842)	839,138
SB 234 Cash Working Capital	153,530	153,530	-	153,530
Remaining Cash	4,084	363,448	52,842	416,291
Percent Coverage (A) / (B)	308.07%	185.71%		197.10%
Average rate for 3,400 gallons	\$ 16.75	\$ 29.77	\$ -	\$ 29.77
Average rate for 4,000 gallons	\$ 18.25	\$ 32.44	\$ -	\$ 32.44

Staff Adjustments

<u>Adjustment Description</u>		\$	Increase <Decrease>	
(1)	Operating Revenues	Per Staff Analysis Per Application with Project	2,464,629 2,618,159	(153,530)
Adjust revenues in accordance with PSC General Order 183.11.				
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis Per Application with Project	153,530 -	153,530
Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.				
(3)	Principal & Interest	Per Staff Analysis Per Application with Project	714,849 758,702	(43,853)
The difference in P&I is related to Staff's calculation of an IJDC Loan of \$9,230,000 for 20 years at 3%.				
(4)	Reserve Account @ 10%	Per Staff Analysis Per Application with Project	62,040 66,425	(4,385)
Staff assumed a 10% reserve on the new debt.				
(5)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis Per Application with Project	62,249 66,854	(4,605)
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				

CITY OF VIENNA - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2024
APPLICATION NO: 2025W-2678
August 13, 2025

**LOAN PACKAGE
SCENARIO 2**

	Rule 42 Going Level Per Application Before Project	Rule 42 Proforma Per Application with Project	Staff Adjustments	Per Staff Analysis
	1	2	3	4
	\$	\$	\$	\$
<u>AVAILABLE CASH</u>				
Operating Revenues	1,500,166	2,488,587	(153,530) (1)	2,335,057
Other Operating Revenue	25,315	25,315	-	25,315
SB 234 Annual Working Cash Collections			153,530 (2)	153,530
Interest Income & Other Misc.	30,680	30,680	-	30,680
Total Cash Available	1,556,161	2,544,582	-	2,544,582
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	1,228,237	1,228,237	-	1,228,237
Taxes	36,958	36,958	-	36,958
Total Cash Requirements Before Debt Service	1,265,195	1,265,195	-	1,265,195
Cash Available for Debt Servi (A)	290,966	1,279,387	-	1,279,387
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	94,448	637,492	4,150 (3)	641,642
Other Debt	-	-	-	-
Reserve Account @ 10%	-	54,304	415 (4)	54,719
Renewal & Replacement Fund (2.5%)	38,904	63,615	(4,606) (5)	59,009
Total Debt Service Requirement	133,352	755,411	(41)	755,371
SB 234 Cash Working Capital	153,530	153,530	-	153,530
Remaining Cash	4,084	370,446	41	370,486
Percent Coverage (A) / (B)	308.07%	200.69%		199.39%
Average rate for 3,400 gallons	\$ 16.75	\$ 28.30	\$ -	\$ 28.30
Average rate for 4,000 gallons	\$ 18.25	\$ 30.83	\$ -	\$ 30.83

Staff Adjustments

<u>Adjustment Description</u>		\$	Increase <Decrease>	
(1)	Operating Revenues	Per Staff Analysis Per Application with Project	2,335,057 2,488,587	(153,530)
Adjust revenues in accordance with PSC General Order 183.11.				
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis Per Application with Project	153,530 -	153,530
Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.				
(3)	Principal & Interest	Per Staff Analysis Per Application with Project	641,642 637,492	4,150
The difference in P&I is related to Staff's calculation of a Loan of \$9,230,000 for 40 years (paid back over 38 yrs.) at 5%.				
(4)	Reserve Account @ 10%	Per Staff Analysis Per Application with Project	54,719 54,304	415
Staff assumed a 10% reserve on the new debt.				
(5)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis Per Application with Project	59,009 63,615	(4,606)
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				



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M E M O R A N D U M

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: July 23, 2025

SUBJECT: Infrastructure Preliminary Application for the City of Vienna: Water System
Improvements Phase I in Wood County, WV. (2024W-2678)

We have reviewed the above referenced project application information. The City of Vienna obtains treated water from the Vienna Utility Board via 8 Wells. No NPDES permit modifications are necessary.

If the City of Vienna 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 City of Vienna 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 City of Vienna 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