



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

Bill J. Crouch
Cabinet Secretary

Ayne Amjad, MD, MPH
Commissioner & State Health Officer

MEMORANDUM

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

FROM: Stephanie Hickerson, P.E. *SDH*
Water Technical Review Committee

DATE: April 27, 2021

RE: City of Wellsburg Request for Bid Overrun
Water System Improvements Project
IJDC Preliminary Application: **2019W-1837**
Brooke County

REQUEST:

The City of Wellsburg is requesting additional IJDC bid overrun grant and binding commitment in the amount of \$100,000 in accordance with Council policies.

The City received and opened bids for the project on March 24, 2021. The bids came in significantly over the project budget of \$5,972,458. Based on the results of the certified bid tabulations, the total project amount has increased to \$7,197,074.00. The total bid overrun is \$1,224,548.13. The City is proposing to fund the overrun through a \$100,000.00 WVIJDC overrun grant, an additional \$200,000.00 DWTRF forgivable loan, and an additional DWTRF loan of \$924,548.13. There is no additional increase to the customer rates with respect to the additional project financing. The Engineer attributes the increased costs to the volatile nature of the current materials market.

The DWTRF program has agreed to provide the \$200,000 in additional Principal Forgiveness funding and the additional \$924,548.13 in loan funds for the project in order to complete the original project scope.

RECOMMENDATION:

The Technical Review Committee believes there are no technical issues related to this request and therefore recommends review and approval by the IJDC Funding Committee



COMPLEX PROJECTS
REQUIRE RESOLVE
THRASHER'S GOT IT

April 9, 2021

Wayne D. Morgan, P.E.
Executive Director
West Virginia Infrastructure & Jobs Development Council
1009 Bullitt Street
Charleston, WV 25301

**RE: *City of Wellsburg
Water System Improvement Project
Bid Overrun Grant Request
WVIJDC Project #2019W-1837***

Dear Mr. Morgan:

On behalf of the City of Wellsburg (City), The Thrasher Group, Inc. (Thrasher) respectfully requests a commitment of grant funding in the amount of \$100,000.00 from the West Virginia Infrastructure Jobs and Development Council (WVIJDC) bid overrun grant program.

Bids were received for the above-referenced project on March 24, 2021. The amount of financing the City was approved for prior to bidding totaled \$5,972,458.00, which was comprised of a \$4,972,458.00 Drinking Water Treatment Revolving Fund (DWTRF) loan, \$500,000.00 Drinking Water Treatment Revolving Fund (DWTRF) forgivable loan, and a \$500,000.00 WVIJDC grant. Based on the results of the certified bid tabulations, the total project amount has increased to \$7,197,074.00.

The total bid overrun is \$1,224,548.13 The City is proposing to fund the overrun through a \$100,000.00 WVIJDC grant, \$200,000.00 DWTRF forgivable loan, and an additional loan of \$924,548.13 from the Drinking Water Treatment Revolving Fund (DWTRF).

The City will not be re-opening Certificate Case No. 20-0719-W-CN at the WV Public Service Commission (PSC) as there is no additional increase to the customer rates with respect to the additional project financing.

Certified bid tabulations and a post-bid Schedule B are enclosed with this letter for your use.

Should you have any questions, please feel free to contact me anytime at (330) 451-2042 or swangler@thetrashergroup.com

Sincerely,

THE THRASHER GROUP, INC.

A handwritten signature in blue ink, appearing to read 'Scott Wangler', written in a cursive style.

SCOTT WANGLER, P.E.
Project Manager

Enclosure

cc: City of Wellsburg

R:\010\010-1117-WATERLINE REPLACEMENT-WELLSBURG-\Documents\Bidding\3 Bid Opening

Wellsburg Water Project

Schedule B

IJDC Project # 2019W-1837

4/12/2021

Cost of Project	Total	WDA Design Loan	Total w/ WDA Payoff	Overrun	IJDC Grant	DWTRF Loan	DWTRF Forgivable Loan
1. Construction							
a. Contract 1 - Independent	2,191,190.55	0.00	2,191,190.55	500,000.00	0.00	1,191,190.55	500,000.00 *
b. Contract 2 - Grai-Con	3,648,880.00	0.00	3,648,880.00	616,616.00	307,596.55	2,724,667.45	0.00 *
c. Construction Contingency 3%	192,403.45	0.00	192,403.45	0.00	192,403.45	0.00	0.00 *
d. Construction Contingency (overrun IJDC Grant) 2%	100,000.00	0.00	100,000.00	100,000.00	0.00	0.00	0.00
2. Technical Services (Thrasher)							
a. Design	146,000.00	131,400.00	14,600.00	0.00	0.00	14,600.00	0.00
b. Final Design	200,000.00	180,000.00	20,000.00	0.00	0.00	20,000.00	0.00
c. Engineering During Construction	163,000.00	0.00	163,000.00	0.00	0.00	163,000.00	0.00
d. Bidding & Negotiating Phase	48,750.00	0.00	48,750.00	0.00	0.00	48,750.00	0.00
e. RPR	156,000.00	0.00	156,000.00	0.00	0.00	156,000.00	0.00
f. Post Construction Phase	48,750.00	0.00	48,750.00	0.00	0.00	48,750.00	0.00
g. Special Services							
i. Design Surveying	11,000.00	11,000.00	0.00	0.00	0.00	0.00	0.00
ii. Land and ROW Surveying	5,000.00	5,000.00	0.00	0.00	0.00	0.00	0.00
iii. Geotechnical	12,500.00	12,500.00	0.00	0.00	0.00	0.00	0.00
iv. Asset Management	15,000.00	15,000.00	0.00	0.00	0.00	0.00	0.00
3. Legal (Local Attorney)	40,000.00	30,000.00	10,000.00	0.00	0.00	10,000.00	0.00
5. PSC Attorney (S&J)	30,000.00	0.00	30,000.00	0.00	0.00	30,000.00	0.00
6. Administration (BHJ)	40,000.00	10,000.00	30,000.00	0.00	0.00	30,000.00	0.00
7. Project Accountant (Griffith)	40,000.00	32,170.00	7,830.00	0.00	0.00	7,830.00	0.00
8. Sites & Lands	20,067.87	20,067.87	0.00	0.00	0.00	0.00	0.00
10. Permits/ Fees	20,000.00	17,830.00	2,170.00	0.00	0.00	2,170.00	0.00
11. WDA Fee on design loan	2,000.00	2,000.00	0.00	0.00	0.00	0.00	0.00 *
12. Interest on Design Loan	28,032.13	28,032.13	0.00	0.00	0.00	0.00	0.00
13. Pay off WDA Design Loan		495,000.00	495,000.00	0.00	0.00	495,000.00	0.00
14. Total of Lines 1 through 13	7,158,574.00		7,158,574.00	1,216,616.00	500,000.00	4,941,958.00	500,000.00
B. COST OF FINANCING							
15. Reserve	0.00		0.00	0.00	0.00	0.00	0.00 *
16. Registrar	500.00		500.00	0.00	0.00	500.00	0.00 *
17. Bond Counsel	30,000.00		30,000.00	0.00	0.00	30,000.00	0.00 *
18. Sub Total Cost of Financing	30,500.00		30,500.00	0.00	0.00	30,500.00	0.00 *
19. Total Project Costs (line 14 + line 18)	7,189,074.00		7,189,074.00	1,216,616.00	500,000.00	4,972,458.00	500,000.00
C. SOURCES OF FUNDING							
20. Federal Grant	0.00		0.00	0.00	0.00	0.00	0.00
21. State Grant (IJDC)	500,000.00		500,000.00	0.00	500,000.00	0.00	0.00
22. IJDC Overrun Grant	100,000.00		100,000.00	100,000.00	0.00	0.00	0.00
23. DWTRF Forgivable	500,000.00		500,000.00	0.00	0.00	0.00	500,000.00
24. Additional DWTRF Forgivable	200,000.00		200,000.00	200,000.00	0.00	0.00	0.00
25. Total Grants / Forgivable Loans	1,300,000.00		1,300,000.00	300,000.00	500,000.00	0.00	500,000.00
26. DWTRF Bond Amount (Line 19 minus line 23)	5,889,074.00		5,889,074.00	916,616.00	0.00	4,972,458.00	0.00

City of Wellsburg _____

_____ Date

The Thrasher Group _____

_____ Date

WELLSBURG MUNICIPAL WATER DEPARTMENT

Statement F-2

CASH FLOW ANALYSIS
 FISCAL YEAR ENDING JUNE 30, 2019
 POST BID-OVERRUN
 WATER LINE REPLACEMENT PROJECT

Line	Per Books \$	Per Books Adjusted \$	Projected Going Level \$	Proforma Adjustments	Adj. No.	Post Bid Proforma \$
1	Available Cash					
2	-	-	-	-	-	-
3	-	-	-	-	-	-
4	490,667	490,667	545,000	125,000	-	670,000
5	74,682	74,682	83,000	19,000	-	102,000
6	10,346	10,346	11,000	3,000	-	14,000
7	9,246	9,246	10,000	2,000	-	12,000
8	7,241	7,241	7,000	-	-	7,000
9	18,940	18,940	19,000	-	-	19,000
10	327,125	327,125	365,000	91,000	-	456,000
11	-	-	-	-	-	-
12	-	-	-	-	-	-
13	10,127	10,127	10,000	-	-	10,000
14	-	-	-	-	-	-
15	-	-	-	-	-	-
16	2,036	2,036	2,000	-	-	2,000
17	3,623	3,623	3,000	-	-	3,000
18	-	-	-	-	-	-
19	Total Available Cash					
20	954,033	954,033	1,055,000	240,000	-	1,295,000
21	Cash Requirements					
22	Cash Requirements					
23	549,024	549,024	580,000	9,000	-	589,000
24	19,749	19,749	20,000	2,700	-	22,700
25	-	-	-	8,300	-	8,300
26	Total Cash Requirements					
27	568,773	568,773	600,000	20,000	-	620,000
28	Cash Available for Debt Service					
29	(A) 385,260	385,260	455,000	220,000	-	675,000
30	Debt Service Requirements (Long Term)					
31	Debt Service Requirements (Long Term)					
32	4,053	4,053	2,496	-	-	2,496
33	10,160	10,160	10,574	-	-	10,574
34	51,506	51,506	34,097	-	-	34,097
35	109,466	109,466	113,922	-	-	113,922
36	258	258	628	-	-	628
37	4,591	4,591	6,908	-	-	6,908
38	1,104	1,104	1,091	-	-	1,091
39	7,024	7,024	12,001	-	-	12,001
40	-	-	17,409	-	-	17,409
41	81,548	81,548	66,771	-	-	66,771
42	Proposed DWTRF Project Loan					
43	(\$4,972,458 @ 1%, 30 Years .25% A.F.)					
44	\$924,550 Overrun @ 1%, 30 Years, .25% AF					
45	Proposed WDA Design Loan - Interest Only					
46	(\$495,000 @ 3.5%, 19 Months)					
47	-	-	12,392	(12,392)	-	-
48	Sub-Total (B)					
49	269,710	269,710	278,289	208,608	-	486,897
50	Debt Service Reserve Requirements					
51	Debt Service Reserve					
52	17,370	17,370	18,000	22,000	(19)	40,000
53	Working Capital Allowance - SB234					
54	-	-	72,500	(500)	(20)	72,000
55	Renewal & Replacement Reserve					
56	23,851	23,851	30,000	6,000	(21)	36,000
57	Sub-Total					
58	41,221	41,221	120,500	27,500	-	148,000
59	Total Long Term Debt Service and Reserve Requirements					
60	310,931	310,931	398,789	236,108	-	634,897
61	Debt Service Coverage Factor (A)/(B)					
62	142.84%	142.84%	163.50%	-	-	138.63%
63	Net Cash Surplus (Deficit)					
64	74,329	74,329	56,211	(16,108)	-	40,103
65	Plant Additions - Estimated					
66	-	-	40,000	-	-	40,000
67	Vehicles / Equipment Replacement					
68	-	-	40,000	-	-	40,000
69	Sub-Total					
70	74,329	74,329	16,211	(16,108)	-	103

"See Accountant's Compilation Report"



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

April 12, 2021

The Honorable Sue Simonetti
Mayor, City of Wellsburg
70 Town Square
Wellsburg, WV 26070

RE: Binding Commitment Letter
City of Wellsburg
IJDC Project No.: **2019W-1837**
SRF Project No.: **20DWTRFB022**
Brooke County

Dear Mayor Simonetti,

The Bureau for Public Health (Bureau) provides this binding commitment for a Drinking Water Treatment Revolving Fund (DWTRF) repayment loan of **\$5,889,074** and a principal forgiveness loan of **\$700,000** for the City of Wellsburg's Water System Improvement Project that will replace approximately 10,300 linear feet of water line, hydrants, master meter, filter media, chlorine feed system, filter backwash pump, improve or add SCADA throughout the system. At the treatment plant the project will automate the gravity filters, add a new building for a new belt filter press, install a generator (for WTP, natural gas), and do various other upgrades to the water treatment plant.

The loan will be subject to the terms set forth on "**Schedule A**" attached hereto and incorporated herein by reference. The principal forgiveness amount of \$700,000 will be forgiven in the fiscal year it is given and will not have any payback or administration fee. The final amount will be established after the City has received bids for the project. The loan agreement will be between the City and the West Virginia Water Development Authority (WDA), who is the administrator of the DWTRF, acting on behalf of the Bureau.

This loan commitment is contingent upon the City meeting the following:

- a. Advertise bids for the project by **March 1, 2021**
- b. Closing the construction loan by **June 25, 2021**

If the City becomes aware that it will not be able to comply with the milestones listed above, they should immediately notify the Bureau of this fact and the circumstances which have caused the project delay.

Mayor Simonetti
City of Wellsburg – 20DWTRFB022
April 12, 2021
Page Two

If you have any questions regarding this loan commitment, please contact me at (304) 356-4292 or email Stephanie.D.Hickerson@wv.gov.

Sincerely,



Stephanie D. Hickerson, P.E., Manager
Infrastructure & Capacity Development
Environmental Engineering Division

SDH:cwt

Enclosures

Pc (via email): Ryan Schuster, Thrasher
Marie Prezioso, WDA
Wayne Morgan, IJDC
Samme L. Gee, Esquire, Jackson & Kelly
John Stump, Steptoe and Johnson
Ryan Weld
Barb Zimnox, BHJ
Michael Griffith
OEHS Wheeling District Office

NOTE: This letter is sent in **triplicate**. Please acknowledge receipt on **two copies** and immediately return them both to the Bureau for Public Health, Attention: Stephanie D. Hickerson, 350 Capitol Street, Room 313, Charleston, WV 25301-3713.

City of Wellsburg

By: _____

Title: _____

Date: _____

**WEST VIRGINIA BUREAU FOR PUBLIC HEALTH
DRINKING WATER TREATMENT REVOLVING FUND**

(Binding Commitment)

“SCHEDULE A”

April 12, 2021

A. PROJECT:

City of Wellsburg
IJDC Project No.: **2019W-1837**
DWTRF Project No.: **20DWTRFB022**
Brooke County

B. DRINKING WATER TREATMENT REVOLVING FUND (DWTRF):

Loan A

(DWTRF Base Program):	\$5,889,074
Terms:	1%
Maturity Date:	30 years
Administration Fee:	0.25% admin
Special Conditions:	Annual debt service payment is estimated to be \$235,000 plus reserve requirement.

Loan B

(DWTRF Base Program):	\$700,000
Terms:	Principal Forgiveness
Maturity Date:	Principal amount forgiven at loan closing
Administration Fee:	Fee is waived
Special Conditions:	There is no repayment of this loan

NOTE: Final loan amounts are determined from receipt of contract bids.

C. OTHER FUNDING SOURCES: **IJDC Grant: \$500,000**
IJDC Overrun Grant Request: \$100,000

D. TOTAL PROJECT COST: **\$7,189,074**

E. PROPOSED USER RATES: Post-project user rates are expected to be **\$44.14** monthly rate for 3,400 gallons.