



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

**DATE:** April 27, 2021

**RE:** Wilderness PSD  
IJDC Preliminary Application Number: **2021W-1940**  
Snow Hill/Lipps Water Line Extension  
Nicholas 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.
-

Wilderness PSD

Project No.: **2021W-1940**

April 27, 2021

Page 2

- 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:

### Comments

According to DEP AML review this area appears to be eligible to submit an Application for Assistance to the AML program.

Using Scenario 1, the preferred funding package consisting of an **IJDC Critical Needs grant of \$298,000**, proposed rates of **\$42.38 for 3,400 gallons (1.30% MHI)** will provide a cash flow surplus of **\$2,074** and debt service coverage of **169.68%**.

pc: To be distributed at the Funding Committee Meeting



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:** Stephanie Hickerson, P.E.  
Infrastructure & Capacity Development

**FROM:** William Herold, P.E.  
Infrastructure & Capacity Development

**DATE:** April 27, 2021

**SUBJECT:** Wilderness PSD  
IJDC Application- 2021W-1940  
Snow Hill/Lipps Water Extension  
Nicholas County

**Recommendation:**

This preliminary application appears technically feasible but its recommended to table this request until a determination is made if this project area is eligible for AML funding.

**Project Scope:**

This Preliminary Application is to extend water service to 4 customers in the Snow Hill/Lipps area. The project will consist of the installation of approximately 1.1 miles (5,691 LF) of 4" water line and all necessary valves and appurtenances.

The cost per customer is **\$74,500** for the project. The total project cost is **\$298,000**. (IJDC Critical Needs Grant: **\$298,000**).

**Need for the Project:**

The PER indicates the Snow Hill/Lipps area is served by individual wells many of which have poor water quality and quantity.

**Concerns:**

1. According to DEP AML review this area appears to be eligible to submit an Application for Assistance to the AML program.
2. The costs of \$74,500/customer is high.

### **Permits:**

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

Construction activities with a disturbed area of one (1) acre or greater are required to register for the NPDES Storm Water Construction General Permit No. WV0115924.

A permit for stream crossings may be required.

A Certificate of Convenience and Necessity may not be required from the PSC.

A permit from the WV Division of Highways will be required for the construction activities that will take place within WVDOH right-of-way.

### **Engineering:** 7.56% for design, 21.2% for total.

The Design Fees vs. Construction Cost for new construction is below both the average complexity curve and the very complex curve. 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 new construction is above the average complexity curve and below the very complex curve. The Total Fees vs. Construction Cost for modified construction is above the average complexity curve and below the very complex curve. A fee waiver will **not** be required for this project.

### **Asset Management Plan and Annual Maintenance Audit:**

The Preliminary Application indicates that there is an Asset Management Plan. That is correct, there is an approved Asset Management Plan on file with the Bureau for Public Health and the system is currently working with RCAP to provide their second annual update. The application indicates that the annual maintenance audit for the current year has not been completed.

### **Capacity Development:**

The question about having had a capacity development assessment (CDA) within the last 5 years was marked as yes. A CDA was performed at the Wilderness PSD in January 2013.

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 Wilderness PSD has a score of zero on the January 2021 quarter of the EPA's Compliance Tracking Tool (ETT.) The current score is below EPA's action level of > 11; indicating that the system, at this time, does not have compliance issues that need to be addressed.

Based upon information from the Municipal Bond Commission, as of March 2021, Wilderness PSD is current on their water reserve funding requirements.

### **IJDC Ranking:**

- Public Health Benefit: 5
- Compliance: 0

# Public Service Commission of West Virginia

201 Brooks Street, P.O. Box 812  
Charleston, West Virginia 25323

*\*Esp*  
A

Phone: (304) 340-0300  
Fax: (304) 340-0325

April 15, 2021

Stephanie D. Hickerson  
Office of Environmental Health Services  
Capitol and Washington Streets  
1 Davis Square, Suite 200  
Charleston, West Virginia 25301-1798

Re: Public Service Commission Staff Review Comments  
Application No. 2021W-1940  
Wilderness PSD  
Infrastructure Preliminary Application

Dear Ms. Hickerson:

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,

, nathan M. Fowler, P.E.  
*trittli6. M. ttgge(\_*

Engineering Division  
[JFowler@psc.state.wv.us](mailto:JFowler@psc.state.wv.us)

Enclosures  
JMF:vb

**PUBLIC SERVICE COMMISSION STAFF  
TECHNICAL REVIEW**

**DATE:** April 14, 2021

**PROJECT SPONSOR:** WILDERNESS PUBLIC SERVICE DISTRICT

**PROJECT SUMMARY:** Water line extension to four new customers in the Snow Hill/Lipps area.

**PROPOSED FUNDING:** IJDC Critical Needs Grant \$298,000

**CURRENT/PROPOSED**

<b>RATES:</b>	\$42.38	3,400 gallons
	\$49.33	4,000 gallons

Application No. 2021W-1940

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

**FINANCIAL: Nathan Nelson**

1. Current rates (\$42.38 for 3,400 gallons) are above the rate attributable to 1.25% (\$40.80) of the Median Household Income (MHI), but below the rates attributable to 1.50% (\$48.96), 1.75% (\$57.12) and 2.0% (\$65.29) of the MHI. Increasing current rates to 1.50%, 1.75% and 2.0% of the MHI would provide additional revenues of \$182,710, \$409,180 and \$635,651 respectively.
2. Using Scenario 1, the preferred funding package consisting of an IJDC Critical Needs grant of \$298,000, proposed rates (\$42.38 for 3,400 gallons) will provide a cash flow surplus of \$2,074 and debt service coverage of 169.68%.
3. Notes to Comments:
  - A. Staff's detailed adjustments are listed on Attachment A for Scenario 1 (Preferred Grant Funding Package).
  - B. Staff prepared the attached Cash Flow Analysis utilizing information from the Annual Report for the Fiscal Year Ended June 30, 2020, and the applicant's Cash Flow submitted with the application.

- C. The going level rates of \$42.38 for 3,400 gallons were approved in Case No. 20-0253-PWD-42A and became effective for service rendered on and after November 9, 2020. The applicant has included this adjustment in its cash flow statement.
- D. Staff notes the General Budget of the Administrator Preliminary Application breaks down the total project budget and lists a total cost of \$275,000. However, the proposed funding in the accountant's form is a \$298,000 IJDC Critical Needs Grant. Staff has confirmed that revisions were made to the project after the \$275,000 total cost figure was input into the IJDC database and the total project cost should be \$298,000. Additionally, four (4) new customers will be added, not six (6) as previously stated, as two proposed customer have refused service. Staff has used the revised figures in its calculations.
- E. 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. This project may not require a Certificate of Convenience and Necessity (CN) from the PSC. The applicant should consult with Staff for such a determination pursuant to General Order 246 issued on February 24, 1993. If a CN is required, 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: Wilderness P.S.D. is proposing to install approximately 5,691 feet (1.08 miles) of 4-inch water line to extend water service to four customers along County Route 17 in the Snow Hill/Lipps area.

Customer Density: 3.7 customers per mile

Cost per Customer: \$74,500 (taken from the total project cost estimate of

\$298,000 spread over 4 new customers. See also comment No. 6)

3. **Project Feasibility:** The project is technically feasible. The cost per customer is high. The proposed customers currently obtain water from private wells. The PER explains that groundwater sources in the area have been contaminated by on-site sewage disposal systems (septic tanks).
4. **Project Alternatives:** Alternatives to the proposed project include; developing new individual wells or, obtaining water from Greenbrier PSD #2. New individual wells would not address groundwater contamination. The Greenbrier PSD #2 alternative was dismissed due to the considerable extra distance and associated costs involved.
5. **Consolidation:** There are no consolidation opportunities presented by this very small line extension project.
6. **Inconsistencies:** The PER (March 2021) states a total project cost of \$298,000 to serve four new customers, with three additional potential future customers located near the terminus of the proposed extension. The construction cost estimate and O & M estimate are also based on four new customers. The WVIJDC application states a total project cost of \$275,000 to serve six new customers (which would equate to \$45,833 per customer).
7. **Operation and Maintenance (O & M) Expenses:** O & M expenses are expected to increase by \$2,324 as a result of the project. Supporting calculations were provided.
8. **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 are \$47,700 which is equal to 21.2% of the construction cost of \$225,000 (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>



WILDERNESS PUBLIC SERVICE DISTRICT - WATER  
 CASH FLOW ANALYSIS  
 YEAR ENDED: June 30, 2020  
 APPLICATION NO: 2021W-1940  
 April 13, 2021

**PREFERRED FUNDING PACKAGE  
 SCENARIO 1**

	Rule 42 Going Level Per Application Before Project 1	Rule 42 Proforma Per Application with Project 2	Staff Adjustments 3	Per Staff Analysis 4
<b>AVAILABLE CASH</b>				
Operating Revenues	1,177,126	1,179,430	(87,825) (1)	1,091,605
Other Operating Revenue	31,353	31,353		31,353
SB 234 Annual Working Cash Collections			87,825 (2)	87,825
Interest Income & Other Misc.	5,395	5,395		5,395
<b>Total Cash Available</b>	<b>1,213,874</b>	<b>1,216,178</b>		<b>1,216,178</b>
<b>OPERATING DEDUCTIONS</b>				
Operating Expenses	836,150	838,458		838,458
Taxes	38,031	38,031		38,031
<b>Total Cash Requirements Before Debt Service</b>	<b>874,181</b>	<b>876,489</b>		<b>876,489</b>
Cash Available for Debt Service (A)	339,693	339,689		339,689
<b>DEBT SERVICE REQUIREMENTS</b>				
Principal & Interest (B)	200,192	200,192		200,192
Other Debt	14,655	14,655		14,655
Reserve Account @ 10%	6,869	6,869		6,869
Renewal & Replacement Fund (2.5%)	30,347	30,404	(2,330) (3)	28,074
<b>Total Debt Service Requirement</b>	<b>252,063</b>	<b>252,120</b>	<b>(2,330)</b>	<b>249,790</b>
SB 234 Cash Working Capital	87,537	87,825		87,825
<b>Remaining Cash</b>	<b>93</b>	<b>(256)</b>	<b>2,330</b>	<b>2,074</b>
Percent Coverage (A) / (B)	169.68%	169.68%		169.68%
Average rate for 3,400 gallons	42.38	\$ 42.38	\$	42.38
Average rate for 4,000 gallons	49.33	\$ 49.33	\$	49.33

**WILDERNESS PUBLIC SERVICE DISTRICT - WATER  
 CASH FLOW ANALYSIS  
 YEAR ENDED: June 30, 2020  
 APPLICATION NO: 2021W-1940**

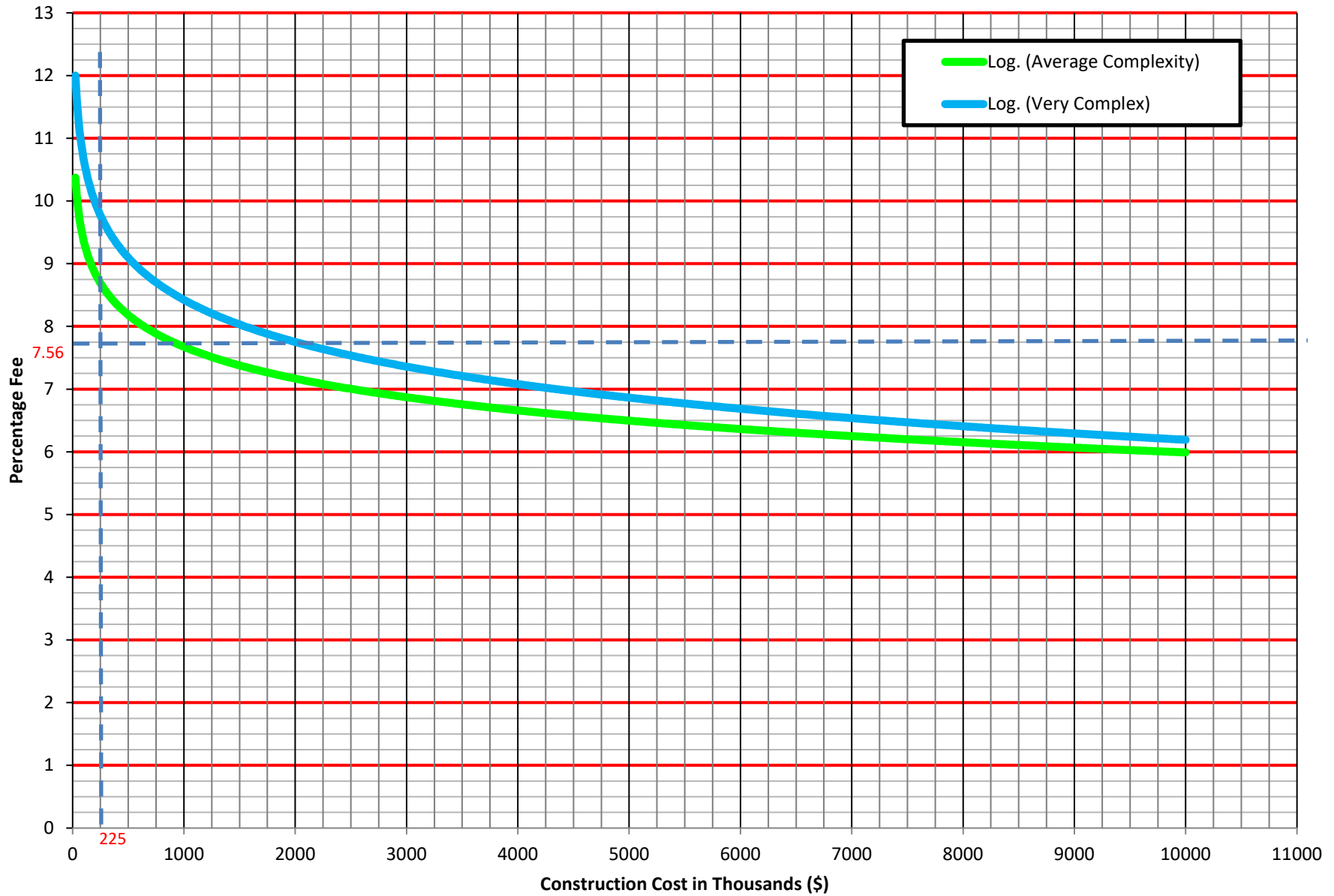
**Attachment A  
 PREFERRED FUNDING PACKAGE  
 SCENARIO 1**

Staff Adjustments

Adjustment Description			Increase <Decrease>
(1) Operating Revenues	<b>Per Staff Analysis</b>	<b>1,091,605</b>	<b>(87,825)</b>
	<b>Per Application with Project</b>	<b>1,179,430</b>	
Adjust revenues in accordance with PSC General Order 183.11.			
(2) SB 234 Annual Working Cash Collections	<b>Per Staff Analysis</b>	<b>87,825</b>	<b>87,825</b>
	<b>Per Application with Project</b>		
Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3) Renewal & Replacement Fund (2.5%)	<b>Per Staff Analysis</b>	<b>28,074</b>	<b>(2,330)</b>
	<b>Per Application with Project</b>	<b>30,404</b>	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

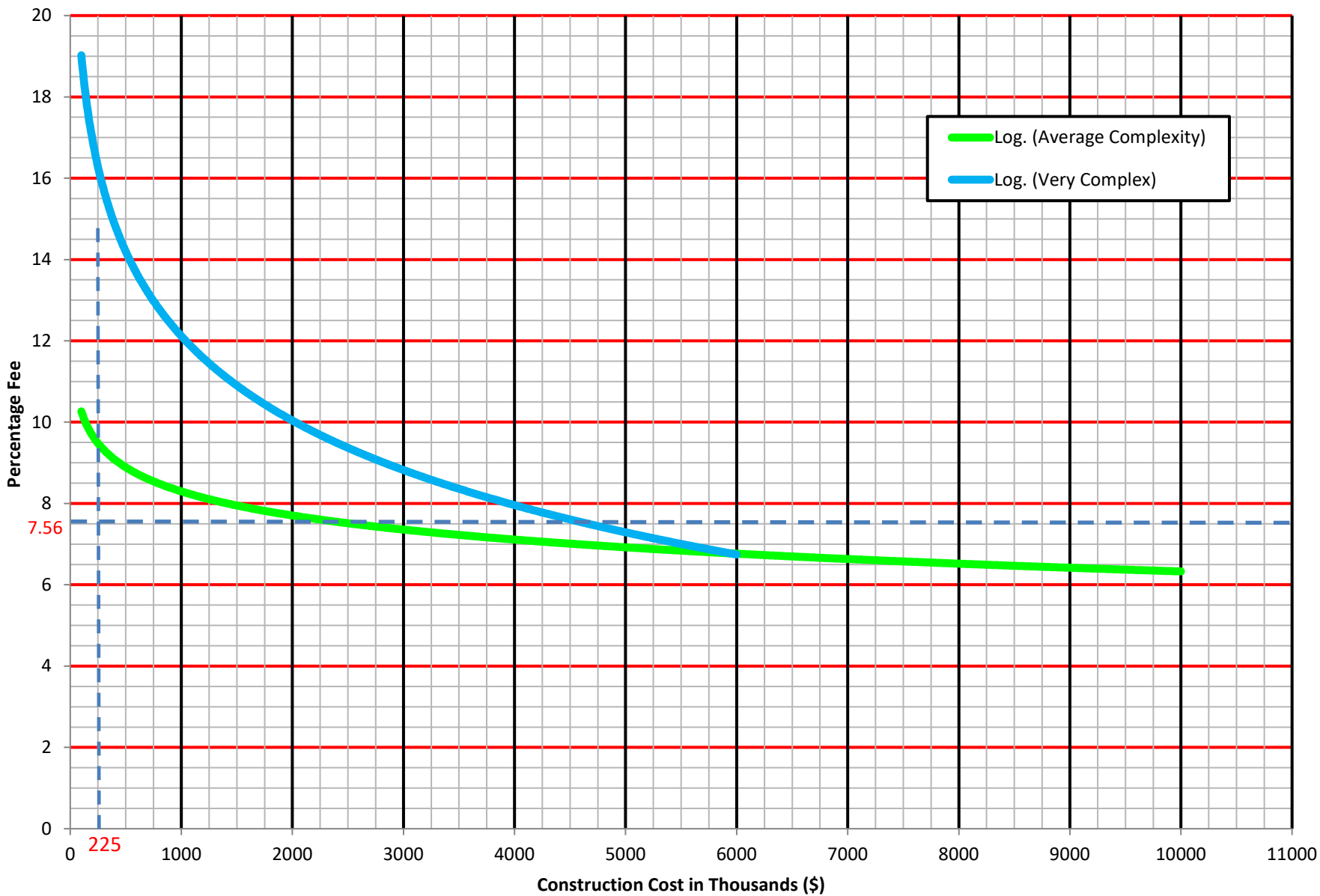
# Graph 1. Design Fee vs. Construction Cost for New Construction

Wilderness PSD  
2021W-1940



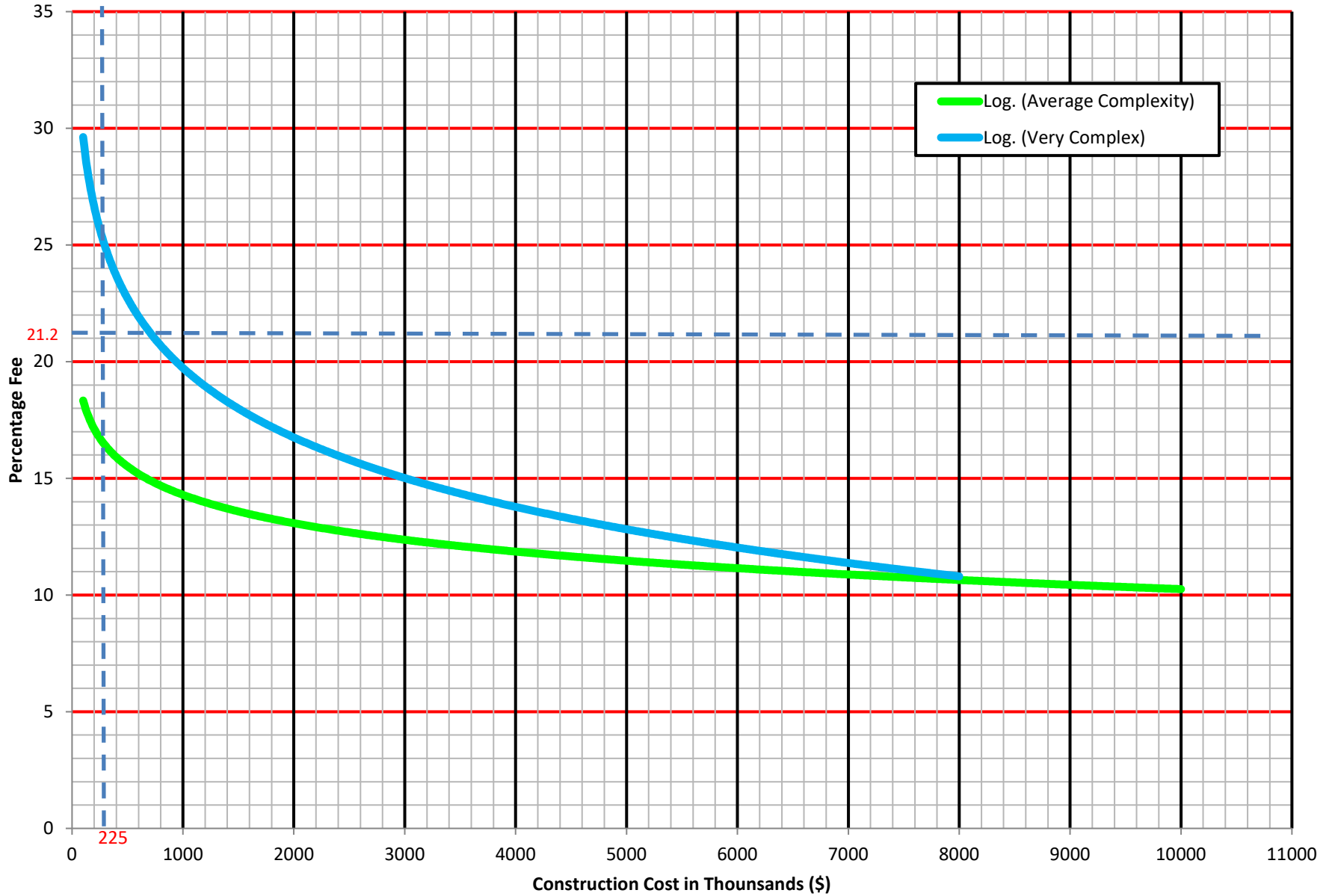
### Graph 2. Design Fee vs. Construction Costs for Modifications

Wilderness PSD  
2021W-1940



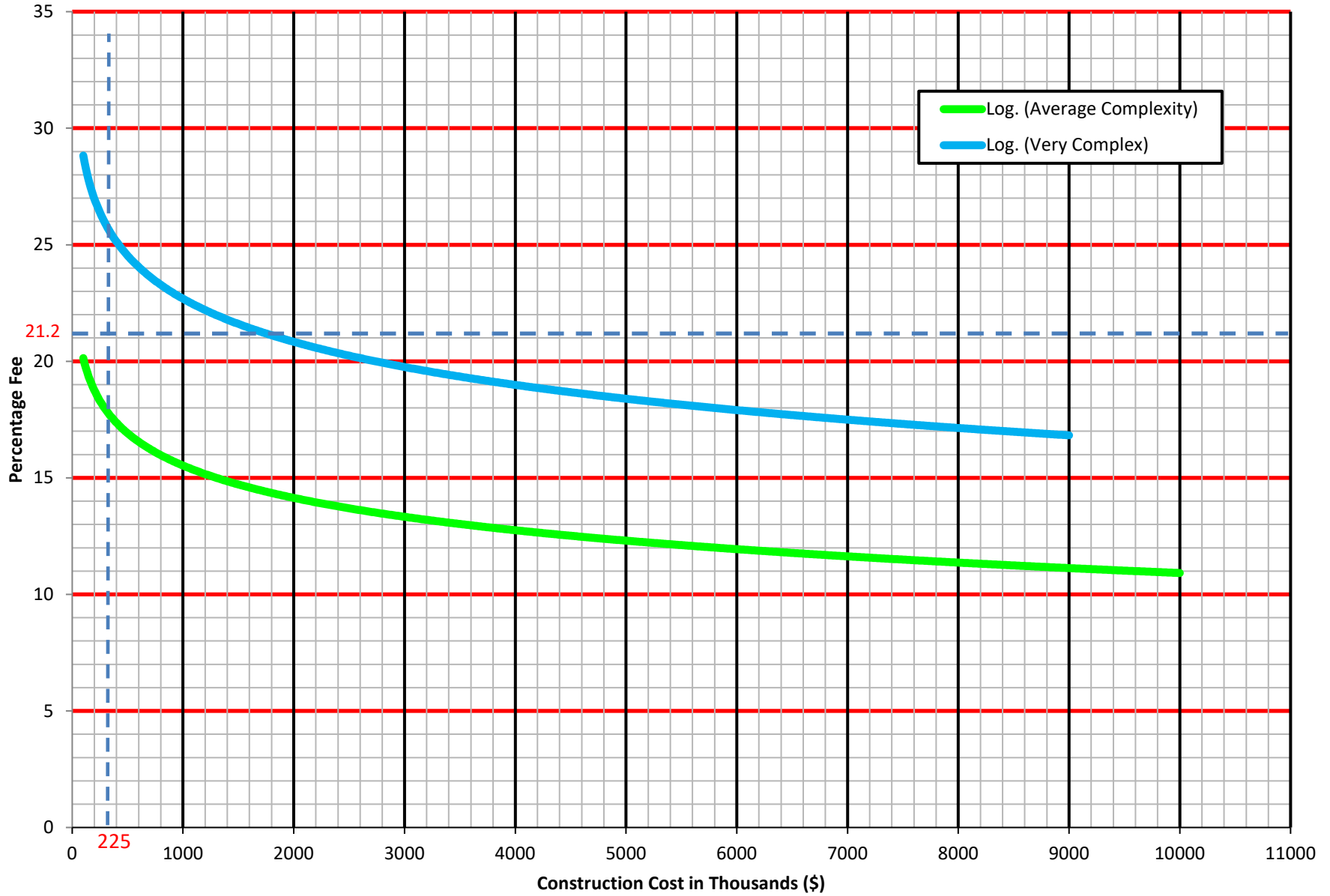
**Graph 3. Total Fee vs. Construction Cost for New Construction**

Wilderness PSD  
2021W-1940



**Graph 4. Total Fee vs. Construction Cost for Modifications**

Wilderness PSD  
2021W-1940





---

west virginia department of environmental protection


---

Division of Water and Waste Management  
601 57<sup>th</sup> Street, SE  
Charleston, WV 25304-2345  
Telephone: 304-926-0495  
Fax: 304-926-0496

Harold D. Ward, Cabinet Secretary  
[www.dep.wv.gov](http://www.dep.wv.gov)

## MEMORANDUM

MEMO TO: Stephanie D Hickerson, P. E.  
Office of Environmental Health Services  
Bureau for Public Health

FROM: John M. Perkins   
Supervisor  
General Permits & Support Team

DATE: March 17, 2021

SUBJECT: Infrastructure Preliminary Application for the Wilderness PSD: Snow Hill Ext. in Nicholas County, WV.

We have reviewed the above referenced project application information. The Wilderness PSD discharges its backwash to its site, which is covered under WV/NPDES Site Registration No. WVG640071 and expires July 18, 2023.

If the Wilderness PSD 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 Wilderness PSD 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 sand blasting. If it is determined that the paint is not hazardous, the Wilderness PSD 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 57<sup>th</sup> Street SE  
Charleston, WV 25304

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

## MEMORANDUM

**To:** Stephanie Hickerson, P.E., Manager  
Infrastructure and Capacity Development

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

**Date:** April 16, 2021

**Subject:** Wilderness PSD – Snow Hill Extension  
IJDC Preliminary Application: 2021W-1940

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:	Wilderness PSD	IJDC Number:	2021W-1940
Project Description:	Snow Hill Ext. Critical Needs Ext.	Review by:	John P.B. Stafford P.E.
County:	Nicholas	Date:	March 24, 2020

<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>
1.	Does the district agree that the project scope seems to be the most feasible solution?		X		This appears to be a very expensive solution to providing water to four households.
2.	Is this the most practical project to correct the problem stated in the application?	X			If the stated problem is to provide finished public water to four homes, then this is the most practical method.
3.	Does the project solve the major operation maintenance problems in the water system?		X		This project will potentially elevate disinfection byproducts, which will in turn be delivered to the customers this project intends to serve.
4.	Does the project eliminate deficiencies noted in the sanitary survey?		X		This project does not eliminate any existing problems with the system.
5.	Should these improvements be made to this system versus another system that could serve the same area?			X	It is unknown if any other system could serve this area.
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			I agree with the need statement in that all people need dependable, quality drinking water. However, this appears to be an expensive means to that end.
8.	Has the engineer included all justification (that you are aware of) in the project application?	X			

<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>
9.	Is the management of the water system capable of completing this project?	X			Wilderness PSD has successfully completed several extension projects in the past
10.	Other comments				
11.	For new projects or projects with revised scope provide DWTRF Priority Ranking Public Health Score (Indicate score in the comments section with explanation)?				20 – This score was selected because the four proposed customers may have water of poor or limited quality.
12.	For new projects or projects with revised scope provide DWTRF Priority Ranking Compliance Score (Indicate score in the comments section with explanation)?				0 – This project does not address any existing compliance issues with the system.
13.					
14.					



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:** Stephanie Hickerson, P.E., Manager  
Infrastructure and Capacity Development Unit

**FROM:** Valerie A. Plance, ERS III  
Capacity Development Program

**DATE:** April 7, 2021

**RE:** Wilderness PSD (PWSID#3303405)  
IJDC Application No.: 2021W-1940  
Nicholas County

The Wilderness PSD 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. There is an approved asset management plan on file with the BPH and the system is currently working with RCAP to provide their second annual update.

The question about having had a capacity development assessment (CDA) within the last 5 years was marked as N/A. A CDA was performed at the Wilderness PSD in January 2013.

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 Wilderness PSD has a score of zero on the January 2021 quarter of the EPA's Compliance Tracking Tool (ETT.) The current score is below EPA's action level of > 11; indicating that the system, at this time, does not have compliance issues that need to be addressed.

Based upon information from the Municipal Bond Commission, as of March 2021, Wilderness PSD is current on their water reserve funding requirements.

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

VAP