

Public Service Commission of West Virginia

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April 16, 2026

Katheryn Emery, P.E., Program Manager
CWSRF & DWTRF, Division of Water and Waste Management, WVDEP

Re: Public Service Commission Staff Review Comments
Application No. 2023S-2400
Belmont, City of – Sewer System Improvements (Phase I)
Revised Infrastructure Preliminary Application

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: April 16, 2026

PROJECT SPONSOR: CITY OF BELMONT – (SEWER)

PROJECT SUMMARY: The City of Belmont is proposing to revise its previously approved Phase I – Sewer System Improvements project scope by: replacing an additional 50% gravity sewer main and nearly double the amount of proposed forcemain replacement, inclusion of replacement of customer service laterals, removal and replacement of manholes (in lieu of rehabilitation), inclusion of upgrades to an additional pump station (French Creek), include the purchase of equipment, and include removal of accumulated solids from an existing oxidation ditch.

PROPOSED FUNDING: IJDC Grant	\$ 1,000,000
ARC Grant	2,000,000
CWSRF Principal Forgiveness	1,500,000
CWSRF Design Loan (1%, 30 yrs.)	500,000
CWSRF Loan (0.5%, 40 yrs.)	<u>2,221,000</u>
Total	\$ <u>7,221,000</u>

Application No. 2023S-2400

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

ENGINEERING: Brandon Crace

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 Belmont is proposing to revise its previously approved Phase I – Sewer System Improvements project scope by: replacing an additional 50% gravity sewer main and nearly double the amount of proposed forcemain replacement, inclusion of replacement of customer service laterals, removal and replacement of manholes (in lieu of rehabilitation), inclusion of upgrades to an additional pump station (French

Creek), include the purchase of equipment, and include removal of accumulated solids from an existing oxidation ditch. The revised project scope includes: mobilization/demobilization, videotaping project area, removal and replacement of 7800 LF of 8-inch PVC gravity sewer main, 2000 LF of 4-inch PVC customer lateral piping, removal of 4-inch and replacement with 6-inch of 7500 LF forcemain with PVC piping, removal and replacement of 1500 LF of 4-inch forcemain, removal and replacement of 40 manholes, 4 new combination vacuum/air release valves, six (6) new inline cleanouts on 6-inch forcemain, 80 customer reconnections (including cleanouts), 250 LF of gravel driveway restoration, 600 LF of concrete street and driveway restoration, 2500 LF of asphalt street and driveway restoration, 5500 LF of reclamation of disturbed areas, 6000 LF of WVDOH Type "C" Trench Repair, 550 LF of WVDOH Type "D" Trench Repair, 6000 LF of WVDOH inspection fees, construction stakeout, temporary bypass pumping, Myers Ave Pump Station Upgrades (piping, valves, controls, electrical, pumps, spare pump), Sun Street Pump Station Upgrades (piping, valves, controls, electrical, pumps, spare pump), French Creek Pump Station (piping, valves, controls, electrical, pumps, spare pump), WWTP headworks influent channel rehabilitation, WWTP headworks new influent screening unit, removal of 200 Tons of accumulated sludge in the WWTP oxidation ditch, WWTP influent ultrasonic flow meter, WWTP removal and replacement of 4-inch plug valve in sludge holding tank, purchase equipment (dump truck and equipped service truck), and all necessary appurtenances. The estimated construction cost is \$5,915,000 (includes 14.99% construction contingency), and the estimated total project cost is \$7,221,000.

Need: The Request for Change in Scope and Funding states that additional sewer system evaluations were made (smoke testing, CCTV, and manhole inspections), as well as identification of sources of I&I and further evaluation of the WWTP. It is reported that 55% of the flows received at the WWTP are ground or stormwater and some flows may be leaving the system as Sanitary Sewer Overflows during heavy precipitation events. Basement flooding in the area of the Myers Ave Pump Station have been documented. "At the wastewater treatment plant, a significant accumulation of grit, trash and other solids has been identified in the oxidation ditch, the source of which has been determined to be the current mechanically cleaned influent screen and grit removal unit, both of which need to be replaced."

Customer Density: This project is an upgrade project; therefore, customer density will remain unchanged.

Cost per Customer: Based upon the estimated total project cost is \$7,221,000, and having approximately 382 customers, the cost per customer will be approximately \$18,904. However, the cost per customer in terms of proposed borrowing is \$7,123, as the proposed funding is approximately 62% grant.

3. Project Alternatives: The Request for Change in Scope and Funding did not include an evaluation of alternatives.
4. Consolidation: There are no consolidation opportunities presented by this project.
5. Operation and Maintenance (O&M) Expenses: The Request for Change in Scope and Funding did not include a discussion or breakdown of changes to O&M. *It can be assumed that any prior O&M calculations did not include the additional scope items included in this request, such as: upgrades to the French Creek Pump Station, equipment (dump truck and service truck), or the other mechanical equipment proposed for replacement at the WWTP.*
6. 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 \$1,102,500, which is equal to 18.64% of the construction cost of \$8,915,000 (includes 14.99% construction contingency).
7. Deficiencies/Comments:
 - The scope includes \$300,000 for the removal of 200 Tons of accumulated sludge in an existing oxidation ditch, which is typically considered an O&M Expense.
 - The request appears to document the failure to maintain the WWTP facilities with the statement “At the wastewater treatment plant, a significant accumulation of grit, trash and other solids has been identified in the oxidation ditch, the source of which has been determined to be the current mechanically cleaned influent screen and grit removal unit, both of which need to be replaced.”
 - Since the time of filing, and the approval of, the previous Application, the project cost has doubled from \$3,370,000 to \$7,221,000.
 - The included “Project Cost Summary” includes \$20,000 for “Post-Construction Phase” and an additional \$25,000 for “Post-Construction

Evaluation”. It is unclear what services are included in these generic titles, and why there are 2 separate fees for post-construction related activities.

- The request does not include justification to include the purchase of a dump truck and equipped service truck. Additionally, the equipped service truck is not detailed (make, model, etc.) and it is unknown what “equipped” is intended to include.

CITY OF BELMONT - SEWER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO: 2023S-2400
 April 16, 2026

**PREFERRED FUNDING PACKAGE
 SCENARIO 3**

	Cash Flow Going Level Per Application Before Project	Cash Flow Proforma Per Application with Project	Staff Adjustments	Per Staff Analysis
	1	2	3	4
	\$	\$	\$	\$
AVAILABLE CASH				
Operating Revenues	383,416	483,020	-	483,020
Other Operating Revenue	8,048	10,139	-	10,139
SB 234 Annual Working Cash Collections			-	-
Interest Income & Other Misc.	6,434	6,434	-	6,434
Total Cash Available	397,898	499,593	-	499,593
OPERATING DEDUCTIONS				
Operating Expenses	258,504	263,898	2,897 (1)	266,795
Taxes	8,167	8,167	-	8,167
Total Cash Requirements Before Debt Service	266,671	272,065	2,897	274,962
Cash Available for Debt Service (A)	131,227	227,528	(2,897)	224,631
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	60,166	176,639	(55,132) (2)	121,507
Other Debt			-	-
Reserve Account @ 10%	1,950	13,597	(5,513) (3)	8,084
Renewal & Replacement Fund (2.5%)	30,001	30,001	(17,672) (4)	12,329
Total Debt Service Requirement	92,117	220,237	(78,317)	141,920
SB 234 Cash Working Capital			-	-
Remaining Cash	39,110	7,291	75,420	82,712
Percent Coverage (A) / (B)	218.11%	128.81%		184.87%
Average rate for 3,400 gallons	\$ 73.22	\$ 92.24	\$ -	\$ 92.24
Average rate for 4,000 gallons	\$ 81.26	\$ 102.37	\$ -	\$ 102.37

Project Sponsor Proposed Loans:
Going-Level CWSRF Design Loan for \$500,000 at .75%, .25% AF, 30 years.
CWSRF Loan for \$2,221,000 at .25%, .25% AF, for 40 years (paid back over 38 years).

NOTES:
Current Rates \$62.84 (3,400 gallons)
Proposed Going-Level Rates \$73.22 (3,400 gallons)
Proposed Project Rates \$92.24 (3,400 gallons)

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Expenses	Per Staff Analysis	266,795	2,897
		Per Application with Project	263,898	
	Staff's calculation included a difference in an Administrative Fee associated with CWSRF Loan.			
(2)	Principal & Interest	Per Staff Analysis	121,507	(55,132)
		Per Application with Project	176,639	
	The difference in P&I is related to Staff's calculation of a loan of \$2,221,000 for 38 years at .25%.			
(3)	Reserve Account @ 10%	Per Staff Analysis	8,084	(5,513)
		Per Application with Project	13,597	
	Staff assumed a 10% reserve on the new debt.			
(4)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	12,329	(17,672)
		Per Application with Project	30,001	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			