

Public Service Commission of West Virginia

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September 16, 2026

Mark Sarver, Chair
Water Development Authority, Executive Director
Katheryn Emery, P.E., Program Manager
CWSRF & DWTRF, Division of Water and Waste Management, WVDEP
Meredith Vance, Director
Environmental Engineering Division, WVBPH

Re: Public Service Commission Staff Review Comments
Application No. 2025W-2707
Logan County PSD – Water Treatment Plant Upgrades (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: September 16, 2026

PROJECT SPONSOR: LOGAN COUNTY PUBLIC SERVICE DISTRICT –
(WATER)

PROJECT SUMMARY: Logan County PSD is proposing to split the previously approved (October 2025) scope of work in to 2 Phases. Phase I now includes: new raw water pumps, a grit removal system, a sedimentation basin, high service pumps, effluent pumps, telemetry system upgrades, electrical upgrades, VFDs for new pumps, an 833,000-gallon finished water storage tank, rehabilitation of an existing 1,500,000-gallon tank, and security fencing at water storage tanks.

PROPOSED FUNDING: DWTRF Loan (1.75%, .25% AF, 30 yrs.)	\$5,500,000
DWTRF Principal Forgiveness Loan	1,000,000
IJDC Loan (1.0%, 40 yrs.)	5,500,000
IJDC Grant	1,000,000
Total	\$13,000,000

CURRENT/PROPOSED

RATES:	\$65.58	3,400 gallons
	\$76.50	4,000 gallons

Application No. 2025W-2707

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

FINANCIAL:

1. PSC Staff was informed by the Project Accountant that the current rates, effective March 2026, are adequate for the proposed borrowing.
2. Documentation submitted to request the Change Scope and Funding did not include any financial information (cash flow, proposed rates, etc.) for Financial Staff to review.

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: Logan County PSD is proposing to split the previously approved (October 2025) scope of work in to 2 Phases. Phase I now includes: site grading, yard piping, static mixer & vault, electrical upgrades, 3 raw water pumps, new grit removal system, new sedimentation basin, sanitary sewer system for sedimentation tanks, 3 effluent pumps, 3 high service pumps, telemetry system upgrades (including plant computer), new 833,000-gallon finished water storage tank, rehabilitation of existing 1,500,000-gallon tank, fencing around finished water tanks, and all necessary appurtenances. The estimated construction cost is \$12,470,000 (includes 15.04% construction contingency), and the estimated total project cost is \$13,000,000.

Need: The documentation submitted to request the Change in Scope and Funding does not provide a discussion of need for the proposed scope. The PER (dated July 31, 2025) states the plant has a history of operating in excess of 18 hours per day, "...during high leak frequency (Spring) and high usage (freezing weather)...". Additionally, the PER indicates the WTP is in good condition, but certain components and equipment are in need or replacement and/or upgrades.

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 \$13,000,000, and having approximately 10,032 customers, the cost per customer will be approximately \$1,296. However, the cost per customer in terms of proposed borrowing is \$1,097, as the proposed funding is 84.6% loan and 15.4% grant.

3. Project Alternatives: The documentation submitted to request the Change in Scope and Funding did not include any evaluation of alternatives, or identify any deductive alternates; however, the request did provide an updated construction and project cost estimate.

4. Consolidation: Although there may not be consolidation opportunities presented in the PER, the City of Logan operates a water system that provides water service to 1,810 customers. It is understood that the City of Logan and Logan County PSD operate in very close proximity to one-another. Furthermore, it is understood that the City of Logan is pursuing a \$12,000,000 water treatment plant improvement project to address its raw water source(s) and treatment capacity.
5. Operation and Maintenance (O&M) Expenses: The documentation submitted to request the Change in Scope and Funding did not include a discussion or breakdown of changes to O&M. PSC Staff was informed by the Project Accountant that the current rates, which went into effect as of March 2026, are adequate for the proposed borrowing.
6. Engineering Agreement: The application previously included information to determine compliance with West Virginia Code §5G-1-1, et seq. The documentation submitted to request the Change in Scope and Funding did not identify the Phase I project engineering fees for design and other special services; therefore, Engineering Staff did not calculate Engineering Fees compared to Construction Costs. *It is understood that another funding source may have paid for these services. 5G Documentation is dated October 2010.*
7. Deficiencies/Comments:
 - The July 2025 PER and the Change in Scope and Funding did not discuss the high unaccounted for lost water, which was reported at 46.32% in the 2025 PSC Annual Report for Logan County PSD, and 50.11% in the 2024 PSC Annual Report.
 - The proposed project scope does not appear to include any upgrades or improvements that would decrease water loss in the distribution system.
 - The PER documents a declining customer base (population), and projects a 6% - 7% population loss over the next 5 years.
 - The PER indicates that "...2 major projects..." are being pursued by the PSD, Big Ugly Phase I and Phase II, which are anticipated to extend water service to 470 potential customers.
 - Engineering Design Fees and some other engineering fees do not appear in the project budget. It is understood that another funding source may have paid for these services, but they are not shown in the project budget, or reflected in the total project cost.

- Neither the July 2025 PER or the Change in Scope and Funding provide any indication that the proposed capacity increase is sufficient to serve the City of Logan's customer base.
- It is understood that the City of Logan is pursuing a \$12,000,000 water treatment plant improvement project to address its raw water source(s), and treatment capacity.
- Considering the amount of funding requested for water treatment plant improvements within a very small radius of Logan County, the amount to be pursued exceeds \$25,000,000 (if this request is approved). However, the total amount increases to approximately \$37,000,000, when accounting for the original project scope presented by Logan County PSD.