



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: Brad Sergent, Chair
Meredith J. Vance, Director, Environmental Engineering Division, BPH

From: Katheryn Emery, P.E., Program Manager
Sewer Technical Review Committee

Date: April 21, 2026

Subject: Boone County PSD
IJDC Application - 2026E-2772
Rock Creek Development Park Collection System and Wastewater Treatment
Plan - 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.
- 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:

The proposed project will install a wastewater collection system, pump station, and a 15,000 gallons per day (GPD) extended aeration packaged wastewater treatment plant (WWTP) for the Rock Creek Development Park.

The proposed total cost for this project is \$4,750,000 and PSD intends to utilize \$750,000 in Congressionally Directed spending and pursue a \$4,000,000 IJDC Economic Development Grant.

This project is being tabled to allow for the project team to submit a Wasteload Allocation to WVDEP for the proposed WWTP and address other concerns as noted including the PSC's rate analysis.

Preliminary Project Ratings:

Public Health Benefits: 5
Compliance with Standards: 5



West Virginia Department of

STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH
BUREAU FOR PUBLIC HEALTH
OFFICE OF ENVIRONMENTAL HEALTH SERVICES

Arvin Singh, EdD, MBA, MPH, MS, FACHDM, FACHE
Secretary of Health

Jason R. Frame
OEHS Director

MEMORANDUM

TO: Meredith J. Vance, Director
Environmental Engineering Division

FROM: Patrick Murphy, P.E. *PMM*
Environmental Engineering Division

DATE: April 6, 2026

SUBJECT: Boone County Public Service District
IJDC Application- **2026E-2772**
Rock Creek Sewer Phase I
Boone County

Recommendation: We have reviewed this preliminary application and recommend that it be forwarded to the Funding Committee for review.

Project Scope: This project proposes the installation of a package wastewater treatment plant and collection system for the Rock Creek Development Park.

The total project cost is **\$4,753,000.00**.

Need for the Project: The need for the project, as addressed in the PER, is to provide for economic growth with the development of the Rock Creek Development Park and to address any environmental concerns via control of discharge from the site.

Concerns: No concerns were noted.

Permits: Permits and/or agency consultations that may be expected to be required include: WVDH, WVDEP, WVDOH and USCOE.





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MEMORANDUM

TO: Katheryn Emery, P.E., Program Manager, DWWM

FROM: Daniel Bailey, E.I., CFM, DWWM

DATE: April 13, 2026

SUBJECT: Boone County PSD
IJDC Application - 2026E-2772
Rock Creek Development Park Collection System and Wastewater
Treatment Plan - Phase 1

RECOMMENDATION

The Preliminary Engineering Report (PER) and IJDC Application prepared by Potesta & Associates, Inc. for the above referenced project has been reviewed and it is recommended to be tabled.

PROJECT DESCRIPTION

The Boone County Public Service District (PSD) serves non-municipal areas of Boone County, WV. The Rock Creek Development Park was previously a large surface mine site, but the property is currently being redeveloped with proposed highway connections, water supply, and broadband infrastructure projects. The PSD intends to provide and manage a wastewater collection and treatment system for the Development Park and its initial tenants.

The proposed project consists of a primarily gravity collection system of various diameter pipe sizes, manholes and appurtenances with the possibility of a pump station as well as a 15,000 gallon per day (GPD) extended aeration package treatment plant. The treatment plant will discharge into a tributary of the Little Coal River.

The proposed total cost for this project is \$4,750,000 and PSD intends to utilize \$750,000 in Congressionally Directed spending and pursue a \$4,000,000 IJDC Economic Development

Promoting a healthy environment.

Grant. The current monthly rate for 3,400 gallons is \$55.75 (1.31% MHI) with no planned rate increase (based on the Combined Application and PER).

NEED FOR PROJECT

The Rock Creek Development Park is a new development utilizing former mining sites. While there are no residents or businesses currently in the area or on the proposed site, projects for water supply and broadband infrastructure are in design. A proper wastewater collection and treatment system is necessary to prevent potential pollution in the local watershed.

DEFICIENCIES/COMMENTS

- A wasteload allocation must be submitted for this project.
- The PER did not include peak flow projections or a discussion of the basis for alternative selection.
- Additional discussions regarding proposed pipe sizes and wastewater treatment technologies, typically provided in a PER, were not included for this project.
- Using the Combined Application, the Design and Total Engineering Fees appear to be within the ASCE curve.

Preliminary Project Ratings:

Public Health Benefits: 5

Compliance with Standards: 5

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



April 13, 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. 2026E-2772
Boone County PSD – New Sewer Treatment & Collection System
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 13, 2026

PROJECT SPONSOR: **BOONE COUNTY PUBLIC SERVICE DISTRICT -
SEWER**

PROJECT SUMMARY: The Boone County Public Service District is proposing to construct a 15,000 GPD wastewater treatment plant and collection system to provide sewer service to the proposed Rock Creek Development Park, located on the previous Hobet Mine Complex property.

PROPOSED FUNDING: IJDC Economic Development Grant	\$4,000,000
Congressionally Directed Funds	<u>750,000</u>
Total	\$4,750,000

CURRENT/PROPOSED

RATES:	\$55.75	3,400 gallons
	\$64.72	4,000 gallons

Application No. 2026E-2772

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

FINANCIAL: Bob Cadle

1. Current rates (\$55.75 for 3,400 gallons) are above the rates attributable to 1.25% (\$47.18) of the Median Household Income (MHI), but below the rates attributable to 1.5% (\$56.62), 1.75% (\$66.06), and 2% (\$75.50) of the MHI. Increasing current rates to 1.5%, 1.75% and 2.0% of the MHI would provide additional revenues of \$19,075, \$225,682 and \$432,290 respectively.
2. Using Scenario 1, the preferred funding package consisting of an IJDC Economic Development Grant of \$4,000,000 and a Congressionally Directed Spending Funds of \$750,000, proposed rates (\$55.75 for 3,400 gallons) will provide a cash flow deficit of \$92,057 and debt service coverage

of 112.99%. An additional 7.8% (for a total of \$60.10 for 3,400 gallons) increase in proposed rates will be required to provide a cash flow surplus of \$568 and debt service coverage of 140.37%.

3. Using the Scenario 2 alternate loan package of \$4,000,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), and committed funds consisting of Congressionally Directed Spending Funds of \$750,000, proposed rates (\$69.52 for 3,400 gallons) will provide a cash flow deficit of \$58,458 and debt service coverage of 118.82%. An additional 3.9% (for a total of \$72.23 for 3,400 gallons) increase in proposed rates would be required to provide a cash flow surplus of \$42 and debt service coverage of 129.09%.

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 applicants Cash Flow Analysis submitted with the application. The applicant has not filed its PSC Annual Report for the Fiscal Year Ended June 30, 2025.
- C. The Applicant is requesting a waiver of the Rule 42 Exhibit requirement.
- D. 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.
- E. Staff notes the Cash Flow Analyses provided by the project sponsor reflects going level and proforma deficits. Thus, the District needs to carefully evaluate its current financial position and may need to immediately file for a rate increase unless its operating costs have

significantly decreased.

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 Boone County Public Service District (BCPSD) is proposing to construct a 15,000 GPD wastewater treatment plant and collection system to provide sewer service to the proposed Rock Creek Development Park, located on the previous Hobet Mine Complex property. The proposed project scope includes: mobilization, demobilization, videotaping project area, erosion and sediment control, wastewater treatment plant (precast concrete structure) with extended aeration, tertiary treatment system, mechanical bar screen, plant piping, 600 LF of security fencing, 2 gates, site grading, flow meter vault, influent pump station, pump station, 900 LF of 12-inch PVC gravity piping, 610 LF of 8-inch PVC gravity sewer piping, 4310 LF of 4-inch PVC forcemain piping, 9 forcemain cleanouts, 6 manholes, 14 VF (vertical feet) of manhole riser sections, 3 inside manhole drop connections, 3 manholes with casting, 40 LF of 24-inch steel casing (bore and jack), 40 LF of 24-inch steel casing (open cut), 40 LF of 16-inch (bore and jack), 40 LF of 8-inch steel casing (bore and jack), 4425 LF of WVDOH shoulder restoration, 6000 LF of pipe bedding material, 40 LF of WVDOH Type C replacement, concrete headwall (effluent outfall), 5 concrete thrust blocks, and necessary appurtenances. The estimated construction cost is \$3,883,000 (includes 10.04% construction contingency), and the estimated total project cost is \$4,753,000 (includes 13.28% project contingency).

Need: The PER states that the Boone County Economic Development Corporation (BCEDC) and BCPSD desire to provide sewer service at the previous Hobet Mine Complex property to enhance economic development at the Rock Creek Development Park. Currently, there is no public or private sewer service available at the proposed building sites, near the former mine office. Additionally, it is understood that there are no existing premises requesting service.

Customer Density: There are no current residences, business, or industrial users in the proposed project area. The PER indicates the flow projections are based upon 200 employees with 35 GPD/employee, which equates to 7,000 GPD, but the PER suggests using 15,000 GPD to account for growth.

The PER does not indicate the proposed type of industry, other than indicating a “factory”; therefore, an industrial user that discharges from a manufacturing process would greatly change the assumptions presented in the flow calculations.

Cost per Customer: The cost per customer is not able to be calculated as there are not any existing structures/premises to be served. Additionally, the cost per customer in terms of proposed borrowing cannot be calculated, as there are no existing structures/premises to be served.

3. Project Alternatives: The PER evaluated eight (8) alternatives: Alternative #1 – Extended Aeration WWTP with Tertiary Treatment located at Gun Range (Effluent to Big Horse Creek), Alternative #2 – Extended Aeration WWTP with Tertiary Treatment located at Gun Range (Effluent to Unnamed Tributary of Little Horse Creek), Alternative #3 – Extended Aeration WWTP with Tertiary Treatment located at Eastern Area (Effluent to Unnamed Tributary of Little Horse Creek), Alternative #4 – Fixed Media WWTP with Tertiary Treatment located at Gun Range (Effluent to Big Horse Creek), Alternative #5 – Fixed Media WWTP with Tertiary Treatment located at Gun Range (Effluent to Unnamed Tributary of Little Horse Creek), Alternative #6 – Fixed Media WWTP with Tertiary Treatment located at Eastern Area (Effluent to Unnamed Tributary of Little Horse Creek), Alternative #7 – Pump Collection to Existing Danville WWTP, and Alternative #8 – Package WWTP with Tertiary Treatment located at Former Tipple Area. The PER states that Alternative #2 was presented in this PER.
4. Consolidation: There are no consolidation opportunities presented by this project.
5. Operation and Maintenance (O&M) Expenses: The PER included a breakdown of anticipated O&M expenses, which indicates an annual increase of \$31,000. The proposed increases are attributed to employee salaries, materials and supplies, insurance, purchase power costs, line expenses, sludge transportation costs, water purchase costs, testing costs, etc.
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 \$545,500, which is equal to 14.05% of the construction cost of \$3,883,000 (includes 10.04% construction contingency).

7. Deficiencies/Comments:

- The proposed WWTP Effluent Outfall will direct flows towards an existing pond, located on a mining permit, that is regulated by WV DEP Division of Mining and Reclamation. The Pond Outfall may have existing NPDES parameters. The project team is strongly encouraged to evaluate the proposed sewer effluent water's potential effect on the existing Pond.
- There are currently no existing premises (industries, businesses, residences, etc.) to serve.
- The PER does not indicate the type of industries that will be present, beyond "factory" and the flow calculations only account for 35 GPD/employee. The included flow calculations do not consider industrial flows. Therefore, an industrial user that discharges from a manufacturing process would greatly change the assumptions presented in the flow calculations.
- Currently, there is no public water service available at the proposed development sites. IJDC Project No. 2023W-2491 proposes to provide water service to the development area. However, this project received a contingent commitment of IJDC funds in March of 2024, and has received commitment extensions since, as the water project has not been bid yet. The February 2026 binding commitment extension request indicates that the required property easements and acquisitions agreements have not been executed.

BOONE COUNTY PUBLIC SERVICE DISTRICT - SEWER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2024
 APPLICATION NO: 2026E-2772
 April 13, 2026

**PREFERRED FUNDING PACKAGE
 SCENARIO 1**

	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	1,220,570	1,220,570	(13,383) (1)	1,207,187
Other Operating Revenue	37,552	37,552	-	37,552
SB 234 Annual Working Cash Collections	-	-	108,383 (2)	108,383
Interest Income & Other Misc.	30,946	30,946	-	30,946
Total Cash Available	1,289,068	1,289,068	95,000	1,384,068
OPERATING DEDUCTIONS				
Operating Expenses	836,067	867,067	-	867,067
Taxes	29,971	29,971	-	29,971
Total Cash Requirements Before Debt Service	866,038	897,038	-	897,038
Cash Available for Debt Service (A)	423,030	392,030	95,000	487,030
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	346,961	346,961	-	346,961
Other Debt	-	-	-	-
Reserve Account @ 10%	-	-	-	-
Renewal & Replacement Fund (2.5%)	30,514	30,514	604 (3)	31,118
Total Debt Service Requirement	377,475	377,475	604	378,079
SB 234 Cash Working Capital	104,508	108,383		108,383
Remaining Cash	(58,953)	(93,828)	94,396	568
Percent Coverage (A) / (B)	121.92%	112.99%		140.37%
Average rate for 3,400 gallons	\$ 55.75	\$ 55.75	\$ 4.35	\$ 60.10
Average rate for 4,000 gallons	\$ 64.72	\$ 64.72	\$ 5.05	\$ 69.77

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	1,207,187	(13,383)
		Per Application with Project	1,220,570	
	Adjust revenues in accordance with PSC General Order 183.11. Staff also projected that an additional \$95,000 in revenues would be needed to achieve 115% debt service coverage and a positive cash flow surplus.			
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	108,383	108,383
		Per Application with Project	-	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	31,118	604
		Per Application with Project	30,514	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

BOONE COUNTY PUBLIC SERVICE DISTRICT - SEWER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2024
 APPLICATION NO: 2026E-2772
 April 13, 2026

**LOAN FUNDING PACKAGE
 SCENARIO 2**

	Max Rate Going Level Per Application Before Project	Max Rate Proforma Per Application with Project	Staff Adjustments	Per Staff Analysis
	1	2	3	4
	\$	\$	\$	\$
<u>AVAILABLE CASH</u>				
Operating Revenues	1,220,570	1,522,570	(48,383) (1)	1,474,187
Other Operating Revenue	37,552	37,552	-	37,552
SB 234 Annual Working Cash Collections	-	-	108,383 (2)	108,383
Interest Income & Other Misc.	30,946	30,946	-	30,946
Total Cash Available	1,289,068	1,591,068	60,000	1,651,068
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	836,067	867,067	-	867,067
Taxes	29,971	29,971	-	29,971
Total Cash Requirements Before Debt Service	866,038	897,038	-	897,038
Cash Available for Debt Service	(A) 423,030	694,030	60,000	754,030
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest	(B) 346,961	582,299	1,799 (3)	584,098
Other Debt	-	-	-	-
Reserve Account @ 10%	-	23,534	180 (4)	23,714
Renewal & Replacement Fund (2.5%)	30,514	38,064	(271) (5)	37,793
Total Debt Service Requirement	377,475	643,897	1,708	645,605
SB 234 Cash Working Capital	104,508	108,383		108,383
Remaining Cash	(58,953)	(58,250)	58,292	42
Percent Coverage	(A) / (B) 121.92%	119.19%		129.09%
Average rate for 3,400 gallons	\$ 55.75	\$ 69.52	\$ 2.71	\$ 72.23
Average rate for 4,000 gallons	\$ 64.72	\$ 80.71	\$ 3.15	\$ 83.86

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	1,474,187	(48,383)
		Per Application with Project	1,522,570	
	Adjust revenues in accordance with PSC General Order 183.11. Staff projected that an additional \$60,000 in revenues would be needed to achieve 115% debt service coverage and a positive cash flow surplus.			
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	108,383	108,383
		Per Application with Project	-	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	Principal & Interest	Per Staff Analysis	584,098	1,799
		Per Application with Project	582,299	
	The difference in P&I is related to Staff's calculation of a loan of \$3,613,000 for 40 years (paid back over 38 years) at 5%.			
(4)	Reserve Account @ 10%	Per Staff Analysis	23,714	180
		Per Application with Project	23,534	
	Staff assumed a 10% reserve on the new debt.			
(5)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	37,793	(271)
		Per Application with Project	38,064	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			