



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: Mark Sarver, Executive Director, Water Development Authority

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

Date: August 19, 2026

Subject: Boone Co. PSD
IJDC Application - 2026E-2813
Rock Creek Development Park Project

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 includes the installation of a wastewater 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 cost for this project is \$4,750,000, and the PSD intends to pursue a funding scenario consisting of \$750,000 in Congressionally Directed Spending and a \$4,000,000 IJDC Economic Development Grant. The current monthly rate for 3,400 gallons is \$55.75 (1.31% MHI), with no anticipated rate increase.

This project is being tabled to allow for the project team to submit a Alternatives Analysis - Socio-Economic Justification (AA-SEJ) to WVDEP for review and approval, which is necessary to allow for a Wasteload Allocation (WLA) to be issued for the proposed discharge, and address other concerns as noted, including the PSC's rate analysis. While a WLA application was submitted, a final WLA cannot be issued until an Alternatives Analysis - Socio-Economic Justification (AA-SEJ) is submitted for review and approval.

Preliminary Project Ratings:

Public Health Benefits: 5
Compliance with Standards: 5



WEST VIRGINIA DEPARTMENT OF HEALTH
Bureau for Public Health

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

Mark E. McDaniel, DO, FAAFP
Acting Commissioner & State Health Officer

MEMORANDUM

TO: Katheryn Emery, PE, Program Manager
DWWM

FROM: Meredith J. Vance, Director
Environmental Engineering Division

DATE: August 8, 2026

SUBJECT: Boone County PSD
IJDC Application- **2026E-2813**
New Sewage Plant
Boone County

Recommendation: This preliminary application and Preliminary Engineering Report has been reviewed and is technically feasible.

Project Scope: No project scope was addressed within the PER; however, under Engineering Summary the project proposes the construction of a new WWTP, new gravity collection system, new effluent discharge infrastructure and potentially a new pump station.

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

Need for the Project: The need for the project is to construct a system that would support commercial and residential expansion as well as to disposed of treated wastewater in a manner benefit public health by meeting regulatory standards.

Concerns: The engineering summary indicates that it will potentially construct a new pump station which may affect the total project cost shown above.

Permits: A permit **will be** required from the WV Bureau for Public Health prior to construction. Other permits and/or consultations that are anticipated for this project include: WVDEP, WVDOT, WVDNR, USF&W, WVSHPO, and USCOE.



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MEMORANDUM

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

FROM: Justin Moffitt, P.E., DWWM

DATE: August 13, 2026

SUBJECT: Boone County PSD
IJDC Application - 2026E-2813
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.
- 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



August 10, 2026

Vacant, Chair

Water Development Authority, Acting 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. 2026E-2813

Boone County PSD – WWTP & Collection System

(Rock Creek Development Park)

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: August 10, 2026

PROJECT SPONSOR: **BOONE COUNTY PUBLIC SERVICE DISTRICT –
(SEWER)**

PROJECT SUMMARY: The Boone County Public Service District (BCPSD) is proposing to construct an extended aeration wastewater treatment plant, with tertiary treatment, 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-2813

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

FINANCIAL: William Nelson

1. Current rates (\$55.75 for 3,400 gallons) are below the rates attributable to 1.25% (\$59.47), 1.5% (\$71.37), 1.75% (\$83.26), and 2% (\$95.16) of the Median Household Income (MHI). Increasing current rates to 1.25%, 1.5%, 1.75% and 2.0% of the MHI would provide additional revenues of \$84,467, \$354,406, \$624,345 and \$894,284 respectively.
2. Using Scenario 1, the preferred funding package consisting of an IJDC Economic Development Grant of \$4,000,000 and Congressionally Directed Spending Funds of \$750,000, proposed rates (\$55.75 for 3,400 gallons) will provide a cash flow deficit of \$218,859 and debt service coverage of

82.61%. An additional 17.8% (for a total of \$65.67 for 3,400 gallons) increase in proposed rates will be required to provide a cash flow surplus of \$516 and debt service coverage of 147.45%.

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 (\$77.44 for 3,400 gallons) will provide a cash flow surplus of \$478 and debt service coverage of 133.39%.

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, 2025, and the applicants Cash Flow Analysis submitted with the application.
- C. Staff used the MHI for Boone County of \$57,093 from the 2025 U.S. Census.
- D. The Applicant is requesting a waiver of the Rule 42 Exhibit requirement.
- 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.
- F. Staff notes the Cash Flow Analyses provided by the project sponsor reflects going level and proforma deficits.
- G. On May 18, 2026, the project sponsor filed Case No. 26-0511-PSD-19A to increase its sewer rates and charges.

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 an extended aeration wastewater treatment plant, with tertiary treatment, 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, 100 LF of 12-inch PVC restrained joint pipe, 640 LF of 12-inch PVC gravity sewer pipe, 160 LF of 12-inch PVC gravity sewer (over 10-ft depth), 1500 LF of 8-inch PVC gravity sewer pipe, 2100 LF of 4-inch PVC forcemain sewer pipe, 14 VF (vertical feet) of manhole riser sections, 3 inside manhole drop connections, 11 manholes with casting, 3 forcemain cleanouts, 40 LF of 24-inch steel casing (bore & jack), 40 LF of 24-inch steel casing (open cut), 40 LF of 16-inch (bore & jack), 40 LF of 8-inch steel casing (bore & jack), 425 LF of WVDOH shoulder restoration, 4600 LF of pipe bedding material, 40 LF of WVDOH Type C replacement, concrete headwall (effluent outfall), pump station (complete), 5 concrete thrust blocks, and necessary appurtenances. The estimated construction cost is \$3,775,000 (includes 9.94% construction contingency), and the estimated total project cost is \$4,750,000 (includes 17.12% project contingency). *The PER included an Additive Alternate, which includes: 1300 LF of 8-inch PVC gravity sewer pipe, 2700 LF of 4-inch PVC forcemain sewer pipe, 60 LF of 8-inch steel casing (bore & jack), 4700 LF of imported pipe bedding, 4 manholes with casting, 4 forcemain cleanouts, pump station (complete), 5 concrete thrust blocks, and 4700 LF of WVDOH shoulder restoration. The estimated construction cost of the Additive Alternate is \$1,140,000 (including 9.28% contingency).*

Need: The PER states that the BCPD desires 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 this project would serve both commercial and potential residential customers at Rock Creek Development Park. The PER states "The WWTP is anticipated to have a capacity of 15,000 gallons per day (GPD)."

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, Alternative #8 – Package WWTP with Tertiary Treatment located at Former Tipple Area (Gravity Effluent to Coal River), Alternative #9 – Extended Aeration WWTP with Tertiary Treatment located at Gun Range (Pumped Effluent to Tributary of Big Horse Creek), and Alternative #9 – Extended Aeration WWTP with Tertiary Treatment located at Gun Range (Pumped Effluent to Tributary of Hill Branch). The PER states that Alternative #9 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 \$610,000, which is equal to 16.16% of the construction cost of \$3,775,000 (includes 9.94% construction contingency).
7. Deficiencies/Comments:
 - 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 August 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, 2025
APPLICATION NO: 2026E-2813
August 10, 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
	\$	\$	\$	\$
<u>AVAILABLE CASH</u>				
Operating Revenues	1,265,229	1,265,229	96,058 (1)	1,361,287
Other Operating Revenue	46,267	46,267	-	46,267
SB 234 Annual Working Cash Collections	-	-	128,942 (2)	128,942
Interest Income & Other Misc.	34,404	34,404	-	34,404
Total Cash Available	1,345,900	1,345,900	225,000	1,570,900
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	1,000,537	1,031,537	-	1,031,537
Taxes	27,755	27,755	-	27,755
Total Cash Requirements Before Debt Service	1,028,292	1,059,292	-	1,059,292
Cash Available for Debt Service (A)	317,608	286,608	225,000	511,608
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	346,961	346,961	-	346,961
Other Debt	-	-	-	-
Reserve Account @ 10%	-	-	-	-
Renewal & Replacement Fund (2.5%)	31,631	31,631	3,558 (3)	35,189
Total Debt Service Requirement	378,592	378,592	3,558	382,150
SB 234 Cash Working Capital	125,067	128,942		128,942
Remaining Cash	(186,051)	(220,926)	221,442	516
Percent Coverage (A) / (B)	91.54%	82.61%		147.45%
Average rate for 3,400 gallons	\$ 55.75	\$ 55.75	\$ 9.92	\$ 65.67
Average rate for 4,000 gallons	\$ 64.72	\$ 64.72	\$ 11.52	\$ 76.24

BOONE COUNTY PUBLIC SERVICE DISTRICT - SEWER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2026E-2813

Attachment A
PREFERRED FUNDING PACKAGE
SCENARIO 1

Staff Adjustments

<u>Adjustment Description</u>				\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis		1,361,287	96,058
		Per Application with Project		1,265,229	
	Adjust revenues in accordance with PSC General Order 183.11. Staff also projected that an additional \$225,000 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		128,942	128,942
		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		35,189	3,558
		Per Application with Project		31,631	
	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, 2025
APPLICATION NO: 2026E-2813
August 10, 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
	\$	\$	\$	\$
AVAILABLE CASH				
Operating Revenues	1,265,229	1,757,729	(128,942) (1)	1,628,787
Other Operating Revenue	46,267	46,267	-	46,267
SB 234 Annual Working Cash Collections	-	-	128,942 (2)	128,942
Interest Income & Other Misc.	34,404	34,404	-	34,404
Total Cash Available	1,345,900	1,838,400	-	1,838,400
OPERATING DEDUCTIONS				
Operating Expenses	1,000,537	1,031,537	-	1,031,537
Taxes	27,755	27,755	-	27,755
Total Cash Requirements Before Debt Service	1,028,292	1,059,292	-	1,059,292
Cash Available for Debt Service (A)	317,608	779,108	-	779,108
DEBT SERVICE REQUIREMENTS				
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%)	31,631	43,943	(2,067) (5)	41,876
Total Debt Service Requirement	378,592	649,776	(88)	649,688
SB 234 Cash Working Capital	125,067	128,942		128,942
Remaining Cash	(186,051)	390	88	478
Percent Coverage (A) / (B)	91.54%	133.80%		133.39%
Average rate for 3,400 gallons	\$ 55.75	\$ 77.44	\$ -	\$ 77.44
Average rate for 4,000 gallons	\$ 64.72	\$ 89.90	\$ -	\$ 89.90

BOONE COUNTY PUBLIC SERVICE DISTRICT - SEWER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2026E-2813

Attachment B
LOAN FUNDING PACKAGE
SCENARIO 2

Staff Adjustments

<u>Adjustment Description</u>				\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	1,628,787		(128,942)
		Per Application with Project	1,757,729		
	Adjust revenues in accordance with PSC General Order 183.11.				
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	128,942		128,942
		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 \$4,000,000 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	41,876		(2,067)
		Per Application with Project	43,943		
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				