



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: Water Development Authority
Meredith J. Vance, Director, Environmental Engineering Division, BPH

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

Date: July 20, 2026

Subject: Town of Grant Town
IJDC Application - 2025W-2741
Water System Imprv Phase II

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.

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- 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 consists of upgrades to the existing distribution system to improve hydraulic performance and reduce water loss associated with aging infrastructure. In addition, the project includes installation of backup power at the Town’s primary booster pump station to improve system resiliency during electrical outages.

The proposed cost for this project is \$1,000,000.00. The PSD will pursue a funding scenario of a \$500,000 WVIJDC Grant, and a \$500,000 DWTRF Principal Forgiveness Loan.

The DWTRF will expect the meter replacement to be completed by the contractor as part of this project.

The project will need to seek a Total Engineering Fee waiver.

Preliminary Project Ratings:

Public Health Benefits:	5
Compliance with Standards:	5



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MEMORANDUM

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

FROM: Dominique Madison, DWWM

DATE: July 8, 2026

SUBJECT: Town of Grant Town
Water System Imprv Phase II
IJDC No. 2025W-2741

RECOMMENDATION

The IJDC application and Preliminary Engineering Report (PER) prepared by Civil & Environmental Consultants Inc. for the above referenced project have been reviewed and are technically feasible.

PROJECT DESCRIPTION

Grant Town is located along West Virginia Route 17 and adjacent to Paw Paw Creek in north-central Marion County. The Town owns and operates a community public water system identified by Public Water System Identification Number (PWSID) WV3304908. The system consists of approximately 10.22 miles of distribution mains ranging in size from 2-inch to 8-inch diameter, two booster pump stations, and two potable water storage tanks.

The proposed project consists of the replacement of approximately 4,200 linear feet of existing transmission main with new piping to restore system integrity, improve hydraulic performance, and reduce water loss associated with aging infrastructure. In addition, the project includes installation of backup power at the Town's primary booster pump station to improve system resiliency during electrical outages.

The proposed cost for this project is \$1,000,000.00. The PSD will pursue a funding scenario of a \$500,000 WVIJDC Grant, and a \$500,000 DWTRF Principal Forgiveness Loan.

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NEED FOR PROJECT

The Town currently has ongoing improvements underway to address storage capacity and water quality concerns within the storage system, additional infrastructure deficiencies remain within the distribution and pumping system that continue to impact overall system reliability and resiliency. The Town's storage facilities and portions of the distribution system remain vulnerable to extended service interruptions during power outages. The proposed project will provide backup power improvements at the Woods Run Booster Pump Station, and a large portion of the Town's existing residential water meters are approaching or exceeding their recommended service life.

DEFICIENCIES/COMMENTS

- Using the Combined Application, the Total Engineering Fees appear to be above the ASCE Design Fee Curves.
- The PER did not include a detailed breakdown, but did provide a brief discussion of anticipated changes to O&M expenses.
- Total Technical services will need a fee waiver to be approved.

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



June 26, 2026

Brad Sergent, 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. 2025W-2741

Town of Grant Town – Water System Improvements (Phase II)

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: June 26, 2026

PROJECT SPONSOR: TOWN OF GRANT TOWN - (WATER)

PROJECT SUMMARY: The Town of Grant Town is proposing to pursue Phase II improvements to its existing water distribution system.

PROPOSED FUNDING: IJDC Grant	\$ 500,000
DWTRF Principal Forgiveness	<u>\$ 500,000</u>
Total	<u>\$1,000,000</u>

**CURRENT/
PROPOSED RATES:**

\$59.74	3,400 gallons
\$68.84	4,000 gallons

Application No. 2025W-2741

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

FINANCIAL: Stephen Edens

1. Current rates (\$59.74 for 3,400 gallons) are above the rate attributable to 1.25% (\$47.24) and 1.5% (\$56.69) of the Median Household Income (MHI), but below the rates attributable to 1.75% (\$66.14) and 2.0% (\$75.59) of the MHI. Increasing current rates to 1.75% and 2.0% of the MHI would provide additional revenues of \$36,625 and \$90,707 respectively.
2. Using Scenario 1, the preferred funding package consisting of an IJDC Grant of \$500,000, and a \$500,000 DWTRF Principal Forgiveness, current/proposed rates (\$59.74 for 3,400 gallons) will provide a cash flow surplus of \$17,460 and debt service coverage of 200.16%.
3. Using the Scenario 2 alternate loan package of \$1,000,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates (\$69.30 for 3,400 gallons) will provide a cash flow surplus of \$15,563 and debt service coverage of 156.77%.

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. The Going Level and Proforma adjustments included in the Applicant's Cash Flow Analyses for Scenarios 1 and 2 were used in Staff's Cash Flow Analyses, except as noted on Attachments A and B.
- C. Staff prepared the attached Cash Flow Analysis utilizing information from the Annual Report for the Fiscal Year Ended June 30, 2025, and the applicant's Cash Flow Exhibit submitted with the application.
- D. Staff notes the Project Accountant is requesting a waiver of 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. Senate Bill 234 (2015) required, pursuant to WV Code 24-2-4b (b), that municipally operated utilities shall consider a reasonable plant-in-service depreciation expense for rates and charges. The project sponsor should take this into consideration when preparing its Rule 42.
- G. The Town of Grant Town should carefully evaluate its revenue requirements before passing a rate ordinance in order to ensure that rates are sufficient to provide a reasonable surplus and meet coverage requirements. Calculations to support the revenue projections should also be provided.

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 Town of Grant Town is proposing to pursue Phase II improvements to its existing water distribution system. The proposed project scope includes: mobilization, pre-construction video, erosion and sediment control, restoration of disturbed areas, 4200 LF of 8-inch HDPE waterline, 20 LF of 2-inch HDPE waterline, tie-in proposed 2-inch waterline to proposed 8-inch waterline, 60 LF of 16-inch steel casing (open cut), three (3) 8-inch gate valve assembly (complete), a 2-inch gate valve assembly (complete), tie-in proposed 2-inch waterline to existing 2-inch waterline, tie-in to existing 2-inch waterline, tie-in to existing 8-inch waterline, cut & cap existing 2-inch waterline, 2 cut & cap existing 6-inch waterline, cut & cap existing 8-inch waterline, 40 LF of asphalt driveway/road restoration, 125 LF of gravel driveway/road restoration, 2 concrete anchors, natural gas powered emergency generator (Woods Run BPS), 225 water meters, and necessary appurtenances. The estimated construction cost is \$642,015 (includes 10% construction contingency), and the estimated total project cost is \$1,000,000.

Need: The PER indicates that the Woods Run Booster Pump Station serves as the primary pumping facility supplying the Town's water system, and is currently being replaced under an ongoing project; however, the emergency backup generator was not included in that project. The PER states that existing water meters are approaching or have exceeded their useful life, and are in need of replacement. The PER provides a general narrative that water mains that supply customers and the storage tanks are aging and experience leaks, resulting in elevated unaccounted for water loss.

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 \$1,000,000, and having approximately 510 customers, the cost per customer will be approximately \$1,961. However, the cost per customer in terms of proposed borrowing is \$0, as the proposed funding is 100% grant.

3. Project Alternatives: The PER indicates that 3 Alternatives were considered: Alternative #1 – Replacement of Existing Water Line Utilizing HDPE Piping, Alternative #2 – Replacement of Existing Water Line Utilizing C900 PVC Piping, and Alternative #3 – Do Nothing. The PER indicates that Alternative #1 was selected “...based upon current material pricing, installation methods, and overall project feasibility.”
4. Consolidation: There are no consolidation opportunities presented by this project.
5. Operation and Maintenance (O&M) Expenses: The PER did not include a detailed breakdown, but did provide a brief discussion of anticipated changes to O&M expenses. The PER indicates that O&M expenses should decrease following completion of the project, as the project should result in a decrease in water loss volumes.
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 \$271,000, which is equal to 42.21% of the construction cost of \$642,015 (includes 10% construction contingency).
7. Deficiencies/Comments:
 - The PER states that due to current material pricing, the project proposes to utilize HDPE (not PVC) piping for the water main replacement. Repairs and maintenance on fused HDPE pipe can be more complex and may require specialized tools to make repairs, compared to traditional PVC pipe.
 - The PER indicates that the project scope includes meter replacement, and the construction cost estimate included a lump sum item for water meters. The Engineer was contacted and verbally stated this project includes 225 water meter replacements, to be completed by the Town upon delivery.

TOWN OF GRANT TOWN - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO. 2025W-2741
June 26, 2026

**PREFERED 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	370,420	370,420	-	370,420
Other Operating Revenue	8,488	8,488	-	8,488
SB 234 Annual Working Cash Collections	35,440	35,440	-	35,440
Interest Income & Other Misc.			-	-
Total Cash Available	414,348	414,348	-	414,348
OPERATING DEDUCTIONS				
Operating Expenses	283,212	283,212	-	283,212
Taxes	1,949	1,949	-	1,949
Total Cash Requirements Before Debt Service	285,161	285,161	-	285,161
Cash Available for Debt Service (A)	129,187	129,187	-	129,187
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	64,542	64,542	-	64,542
Other Debt			-	-
Reserve Account @ 10%	2,272	2,272	-	2,272
Renewal & Replacement Fund (2.5%)	25,000	25,000	(15,527) (1)	9,473
Total Debt Service Requirement	91,814	91,814	(15,527)	76,287
SB 234 Cash Working Capital	35,440	35,440	-	35,440
Remaining Cash	1,933	1,933	15,527	17,460
Percent Coverage (A) / (B)	200.16%	200.16%		200.16%
Average rate for 3,400 gallons	\$ 59.74	\$ 59.74	\$ -	\$ 59.74
Average rate for 4,000 gallons	\$ 68.84	\$ 68.84	\$ -	\$ 68.84

		Staff Adjustments		
				Increase <Decrease>
<u>Adjustment Description</u>			\$	
(1)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	9,473	(15,527)
		Per Application with Project	25,000	

Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.

TOWN OF GRANT TOWN WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION No. 2025W-2741
June 26, 2026

**LOAN 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	370,420	435,358	-	435,358
Other Operating Revenue	8,488	8,488	-	8,488
SB 234 Annual Working Cash Collections	35,440	35,440	-	35,440
Interest Income & Other Misc.			-	-
Total Cash Available	414,348	479,286	-	479,286
OPERATING DEDUCTIONS				
Operating Expenses	283,212	283,212	-	283,212
Taxes	1,949	1,949	-	1,949
Total Cash Requirements Before Debt Service	285,161	285,161	-	285,161
Cash Available for Debt Service (A)	129,187	194,125	-	194,125
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	64,542	123,377	449 (1)	123,826
Other Debt			-	-
Reserve Account @ 10%	2,272	8,156	44 (2)	8,200
Renewal & Replacement Fund (2.5%)	25,000	25,000	(13,904) (3)	11,096
Total Debt Service Requirement	91,814	156,533	(13,410)	143,123
SB 234 Cash Working Capital	35,440	35,440	-	35,440
Remaining Cash	1,933	2,152	13,410	15,563
Percent Coverage (A) / (B)	200.16%	157.34%		156.77%
Average rate for 3,400 gallons	\$ 59.74	\$ 69.30	\$ -	\$ 69.30
Average rate for 4,000 gallons	\$ 68.84	\$ 79.86	\$ -	\$ 79.86

**TOWN OF GRANT TOWN WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION No. 2025W-2741**

**Attachment B
LOAN PACKAGE
SCENARIO 2**

Staff Adjustments

<u>Adjustment Description</u>		\$	Increase <Decrease>	
(1)	Principal & Interest	Per Staff Analysis	123,826	449
		Per Application with Project	123,377	
The difference in P&I is related to Staff's calculation of a loan of \$1,000,000 for 40 years (paid back over 38 years) at 5%.				
(2)	Reserve Account @ 10%	Per Staff Analysis	8,200	44
		Per Application with Project	8,156	
Staff assumed a 10% reserve on the new debt.				
(3)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	11,096	(13,904)
		Per Application with Project	25,000	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				



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M E M O R A N D U M

MEMO TO: Meredith J. Vance
Office of Environmental Health Services
Bureau for Public Health

FROM: Brian D Bailey *BB*
Technical Analyst
General Permits & Support Team

DATE: June 18, 2026

SUBJECT: Infrastructure Preliminary Application for the Town of Grant (2025W-2741):
Water System Improvements Phase II Project in Marion County, WV.

We have reviewed the above referenced project application information. The Town of Grant purchases water from the City of Fairmont. No NPDES permit modifications are necessary.

If the Town of Grant 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 Town of Grant should contact Mr. Brad Wright 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 Town of Grant should contact John Lockhart or a member of his staff at (304)-926-0499, extension 43889 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 April 6, 2024. 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.

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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.

BDB:mam

cc: Katheryn Emery