



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 20, 2026

Subject: Greater Marion PSD
Water Treatment Facility Upgrades
IJDC No. 2026S-2751

-
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 will replace the PSD's vacuum sewer with new gravity sewers, a new lift station, upgrades to an existing lift station, and force main and will redirect flows away from Worthington's system. This project will help reduce flows within the Town of Worthington's vacuum system downstream from the PSD and address issues within the PSD's system that have resulted in past Notices of Violation.

The proposed cost for this project is \$5,000,000. The Greater Marion PSD will pursue a funding scenario of a \$500,000 IJDC Grant, a \$2,000,000 CWSRF Principle Forgiveness Loan, a \$1,500,000 USACE Grant, and a \$1,000,000 WDA Economic Enhancement Grant.

It is recommended that as issues become stable with the Worthington wastewater system that the two utilities begin discussions regarding the consolidation of the two utilities.

Preliminary Project Ratings:

Public Health Benefits: 15

Compliance with Standards: 20



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. *PM*
Environmental Engineering Division

DATE: April 6, 2026

SUBJECT: Greater Marion Public Service District
IJDC Application- **2026S-2751**
Sanitary Sewer Improvements Phase I
Marion 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 removal of vacuum collection lines to address demand from the Worthington vacuum system.

The total project cost is **\$5,000,000.00**.

Need for the Project: The need for the project, as addressed the failing vacuum collection system.

Concerns: No concerns were noted.

Permits: Permits and/or agency consultations that may be expected to be required include: WVDH, WVDEP, WVSHPO, WVDNR and USF&W.





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MEMORANDUM

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

FROM: Spencer Fultineer, DWWM

DATE: April 14, 2026

SUBJECT: Greater Marion PSD
Water Treatment Facility Upgrades
IJDC No. 2026S-2751

RECOMMENDATION

The IJDC application and Preliminary Engineering Report (PER) prepared by The Thrasher Group for the above referenced project have been reviewed and are technically feasible.

PROJECT DESCRIPTION

The Greater Marion PSD provides collection service under NPDES Permit Number WV0080764 in central Marion County between the Towns of Farmington and Worthington. The collection system serves 419 customers that generate approximately 39,186 gallons of wastewater per day.

This project will eliminate approximately 10,700 linear feet of 8-inch vacuum sewer. This will remove an estimated 2,800 gallons of full-pipe hydraulic demand from the Town of Worthington's vacuum system as well as the demand created by the customers' load and I&I. To accomplish this, this project will install approximately 4,000 linear feet of gravity sewer as well as approximately 4,700 linear feet of forcemain. The project will construct a new lift station as well as upgrade the existing lift station and will re-route the flows away from Worthington's vacuum system.

The proposed cost for this project is \$5,000,000. The Greater Marion PSD will pursue a funding scenario of a \$500,000 IJDC Grant, a \$2,000,000 CWSRF Principle Forgiveness Loan, a

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\$1,500,000 USACE Grant, and a \$1,000,000 WDA Economic Enhancement Grant. The proposed month rate for 3,400 gallons is \$69.94 (1.81% MHI).

NEED FOR PROJECT

The purpose of this project is to address the immediate issues with the existing vacuum collection system. This system was installed in 1998 and is approaching the end of its useful life. This system also continues to have issues with compliance and is a concern for public health. The PSD has reported multiple sanitary sewer spills and received multiple NOV's citing these operational deficiencies. Numerous complaints have been filed with the WVDEP for backups and discharges. This project is another step in the process to repair this system and prevent further compliance and public safety issues.

DEFICIENCIES/COMMENTS

- Using the Combined Application, the Total Engineering Fees appear to be within the ASCE Design Fee Curves.

Preliminary Project Ratings:

Public Health Benefits	15
Compliance with Standards	20

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 8, 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. 2026S-2751
Greater Marion County PSD – Collection System Improvements
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 8, 2026

**PROJECT SPONSOR: GREATER MARION PUBLIC SERVICE DISTRICT -
(SEWER)**

PROJECT SUMMARY: The Greater Marion Public Service District is proposing to replace portions of its existing vacuum sewer system with a combination of gravity and forcemain sewer mains, and re-route its flows away from Worthington’s existing vacuum system.

PROPOSED FUNDING: CWSRF Principal Forgiveness	\$2,000,000
USACOE Grant	\$1,500,000
WDA EEG	\$1,000,000
IJDC Grant	<u>\$500,000</u>
Total	\$5,000,000

CURRENT RATES: \$69.94 3,400 gallons
\$82.28 4,000 gallons

PROPOSED RATES: \$81.12 3,400 gallons
\$95.44 4,000 gallons

Application No. 2026S-2751

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

FINANCIAL: Dave Acord

1. Current rates (\$69.94 for 3,400 gallons) are above the rates attributable to 1.25% (\$55.06) and 1.5% (\$66.07 of the Median Household Income (MHI), but below 1.75% (\$77.08) and 2% (\$88.09) of the MHI. Increasing current rates to 1.75% and 2% of the MHI would provide additional revenues of \$39,018, and \$99,179, respectively.
2. Using Scenario 1, the preferred funding package consisting of a CWSRF Principal Forgiveness Loan of \$2,000,000, USACOE Grant of \$1,500,000, WDA EEG of \$1,000,000, and an IJDC Grant of \$500,000, proposed rates

(\$81.12 for 3,400 gallons) will provide a cash flow surplus of \$3,859 and debt service coverage of 169.17%.

3. Using Scenario 2, alternate loan package of \$5,000,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates (\$132.23 for 3,400 gallons) will provide a cash flow deficit of \$49,939 and debt service coverage of 110.89%. An additional 7.2% (for a total of \$141.75 for 3,400 gallons) increase in proposed rates would be required to provide a cash flow surplus of \$761 and debt service coverage of 124.53%.

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.
- C. It should be noted that the applicant requested a waiver of the Rule 42 Exhibit requirement since the project is proposed to be entirely funded with grants and a principal forgiveness loan.
- D. Staff notes the Applicant's cash flow analyses include going level rates of \$81.12 (3,400 gallons). The Applicant hasn't filed for an increase with the PSC as of March 25, 2026.
- E. The Applicant's Max Rate scenario cash flow had a formula error involving its debt service calculation total. The formula didn't include the \$45,200 listed on the cash flow, for principal, in its total. Staff corrected this in its analysis.
- F. 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 flow provided by the project sponsor includes funding for the 1/8 cash working capital reserve. Staff accepted that amount in its analysis. However, this amount may be reviewed by the Commission in future filings in accordance with Public Service Commission General Order 183.11.

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 Greater Marion Public Service District (GMPSD) is proposing to replace portions of its existing vacuum sewer system with a combination of gravity and forcemain sewer mains, and re-route its flows away from Worthington's existing vacuum system. The proposed project scope includes: mobilization, demobilization, pre-construction video recording, traffic control, 1500 LF of 4-inch sewer laterals, 2000 LF of 6-inch sewer main, 7500 LF of 8-inch sewer main, 4300 LF of 6-inch forcemain, new Carolina Market Lift Station, 50 new manholes, 38 customer reconnections (with cleanouts), demolition of 24 slip valves, 250 LF of 16-inch steel casing (bore & jack), 10 concrete anchors, 5 air release valves, 5 forcemain in-line cleanouts, 2 cut & cap/plug 8-inch vacuum sewer, 1500 LF of gravel trench repair, 1500 LF of asphalt trench repair, 1750 LF of full width asphalt overlay, power to lift station, 10550 LF of restoration of disturbed areas, Carolina Lift Station pump upgrades, 1500 LF of streambank slope protection, and all necessary appurtenances. The estimated construction cost is \$3,975,000 (includes 14.94% construction contingency), and the estimated total project cost is \$5,000,000 (includes 1.08% project contingency).

Need: The PER indicates that GMPSD have received WVDEP NOVs related to "spills" reportedly associated with failure to properly operate and maintain the vacuum sewer facilities. The PER states that the WVDEP has received formal complaints, filed by residents, regarding reported sewer backups and discharges from the vacuum system. The PER states "However, because BMPSD's vacuum system is hydraulically tied to-and dependent upon-the Town of Worthington's failing vacuum system, recurring sanitary sewer overflows remain likely." Additionally, the PER states "Despite BGPSSD's ongoing efforts to prevent further incidents, weekly spills continue to occur due to the system's reliance on Worthington's failing vacuum mainline, vacuum station, and uncertain operator coverage at the Worthington WWTP." The proposed scope of work will transfer GMPSD flows away from the Worthington vacuum system, and will send flows via forcemain and gravity mains to the WWTP.

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 \$5,000,000, and having approximately 419 customers, the cost per customer will be approximately \$11,934. However, the cost per customer in terms of proposed borrowing is \$0, as the proposed funding is 100% grant.

3. Project Alternatives: The PER evaluated three (3) alternates: Alternative #1 – Proposed Kellytown & Carolina Market Lift Stations; Alternative #2 – Proposed Carolina Market Lift Station; and Alternative #3 – Do Nothing. The PER states that Alternative #2 is the preferred option, as it only requires one lift station and estimates lower O&M expenses.
4. Consolidation: There are no consolidation opportunities presented by this project, and the PER indicates on-going issues with the GMPD sewer system being “hydraulically” connected to Worthington’s “failing” vacuum system. Additionally, the WV PSC has received over 20 formal complaints, filed against the Town of Worthington, which are currently being investigated by the Engineering Division Staff. Initial review indicates that the Town of Worthington is facing issues related to the lack of Town officials and/or voting members, sewer maintenance, operational knowledge of vacuum sewer systems, available funding to address on-going issues, etc. Due to the reliance on Worthington for sewage treatment, both utilities should consider a consolidation to reduce rate impact, continuing to provide quality sewer service to the customer bases, and work towards facilitating an improved situation in Marion County.
5. Operation and Maintenance (O&M) Expenses: The PER did include a detailed breakdown of anticipated changes to O&M expenses. The PER indicates an anticipated annual increase of \$8,447 in O&M expenses, which appears related to purchased power.
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 \$750,000, which is equal to 18.87% of the construction cost of \$3,975,000 (includes 14.94% construction contingency).
7. Deficiencies/Comments:
 - GMPD relies on the Town of Worthington’s WWTP for treatment of its raw sewage.
 - The PSC Engineering Division is knowledgeable of Worthington experiencing issues with its vacuum system, as over 20 formal

complaints have been filed against Worthington regarding its sewer system.

- Due to the reliance on Worthington for sewage treatment, both Worthington and GMPSD should consider a consolidation to reduce future rate impacts, continuing to provide quality sewer service to the customer bases, and work towards facilitating an improved situation in Marion County.

GREATER MARION PUBLIC SERVICE DISTRICT - SEWER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO: 2026S-2751
 April 8, 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	403,881	403,881	-	403,881
Other Operating Revenue	13,014	13,014	-	13,014
SB 234 Annual Working Cash Collections	39,368	39,368	-	39,368
Interest Income & Other Misc.	5,905	5,905	-	5,905
Total Cash Available	462,168	462,168	-	462,168
OPERATING DEDUCTIONS				
Operating Expenses	314,941	314,941	-	314,941
Taxes	3,652	3,652	-	3,652
Total Cash Requirements Before Debt Service	318,593	318,593	-	318,593
Cash Available for Debt Service (A)	143,575	143,575	-	143,575
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	84,868	84,868	-	84,868
Other Debt	5,058	5,058	-	5,058
Reserve Account @ 10%	-	-	-	-
Renewal & Replacement Fund (2.5%)	12,436	12,436	(2,014) (1)	10,422
Total Debt Service Requirement	102,362	102,362	(2,014)	100,348
SB 234 Cash Working Capital	39,368	39,368	-	39,368
Remaining Cash	1,845	1,845	2,014	3,859
Percent Coverage (A) / (B)	169.17%	169.17%		169.17%
Average rate for 3,400 gallons	\$ 81.12	\$ 81.12	\$ -	\$ 81.12
Average rate for 4,000 gallons	\$ 95.44	\$ 95.44	\$ -	\$ 95.44

GREATER MARION PUBLIC SERVICE DISTRICT - SEWER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO: 2026S-2751

Attachment A
 PREFERRED FUNDING PACKAGE
 SCENARIO 1

Staff Adjustments

<u>Adjustment Description</u>			Increase <Decrease>
		\$	
(1)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	10,422
		Per Application with Project	(2,014)
			12,436

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

GREATER MARION PUBLIC SERVICE DISTRICT - SEWER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO: 2026S-2751
 April 8, 2026

**LOAN PACKAGE
 SCENARIO 2**

	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	403,881	683,128	52,000 (1)	735,128
Other Operating Revenue	13,014	13,014	-	13,014
SB 234 Annual Working Cash Collections	39,368	39,368	-	39,368
Interest Income & Other Misc.	5,905	5,905	-	5,905
Total Cash Available	462,168	741,415	52,000	793,415
OPERATING DEDUCTIONS				
Operating Expenses	314,941	314,941	-	314,941
Taxes	3,652	3,652	-	3,652
Total Cash Requirements Before Debt Service	318,593	318,593	-	318,593
Cash Available for Debt Service (A)	143,575	422,822	52,000	474,822
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	84,868	379,042	2,247 (2)	381,289
Other Debt	5,058	5,058	-	5,058
Reserve Account @ 10%	-	29,417	225 (3)	29,642
Renewal & Replacement Fund (2.5%)	12,436	12,436	6,268 (4)	18,704
Total Debt Service Requirement	102,362	425,953	8,740	434,693
SB 234 Cash Working Capital	39,368	39,368	-	39,368
Remaining Cash	1,845	(42,499)	43,260	761
Percent Coverage (A) / (B)	169.17%	111.55%		124.53%
Average rate for 3,400 gallons	\$ 81.12	\$ 132.23	\$ 9.52	\$ 141.75
Average rate for 4,000 gallons	\$ 95.44	\$ 155.57	\$ 11.20	\$ 166.77

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	735,128	52,000
		Per Application with Project	683,128	
<p>Staff projected that an additional \$52,000 in revenues would be needed to achieve 115% debt service coverage and a positive cash flow surplus.</p>				
(2)	Principal & Interest	Per Staff Analysis	381,289	2,247
		Per Application with Project	379,042	
<p>The difference in P&I is related to Staff's calculation of a loan of \$5,000,000 for 40 years (paid over 38 years) at 5%.</p>				
(3)	Reserve Account @ 10%	Per Staff Analysis	29,642	225
		Per Application with Project	29,417	
<p>Staff assumed a 10% reserve on the new debt.</p>				
(4)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	18,704	6,268
		Per Application with Project	12,436	
<p>Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.</p>				