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: Mason Co. PSD
IJDC Application - 2024W-2644
Ashton Water Treatment Plant Upgrade

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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 increase the existing WTP capacity from 0.33 MGD to 1.5 MGD. The project will meet the proposed direct and indirect demand associated with the Nucor Steel Mill's construction.

The proposed cost for this project is $8,448,000. The PSD will pursue a funding scenario of a $50,000 contribution from the County Commission, a $2,000,000 Congressionally Directed Spending Grant, and a $6,398,000 DWTRF Loan. The proposed monthly rate for 3,400 gallons is $67.52 (1.56% MHI).

Projects that only support economic development do not qualify for DWTRF Funds. Therefore, the project should be tabled to allow the PSD time to evaluate a viable funding scenario.

<u>Preliminary Project Ratings:</u>
Public Health Benefits: 5
Compliance with Standards: 5

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MEMORANDUM

TO:	Katheryn Emery, P.E., Program Manager, DWWM
FROM:	Corey McComas, DWWM
DATE:	July 13, 2026
SUBJECT:	Mason Co. PSD Ashton Water Treatment Plant Upgrade IJDC No. 2024W-2644

RECOMMENDATION

The IJDC application and Preliminary Engineering Report (PER), prepared by The Thrasher Group, dated May 2026, for the above referenced project has been reviewed and is technically feasible.

PROJECT DESCRIPTION

The Mason County Public Service District (PSD) owns and operates multiple water systems that serve 6,099 customers throughout the County and surrounding areas. The PSD consists of six (6) water distribution systems and four (4) water treatment plants (WTPs). The Ashton WTP has four (4) groundwater wells for their raw water source, uses pressure filtration with chlorine disinfection for treatment, and produces 339,700 GPD and runs approximately 14 hours a day. The Ashton distribution system has three (3) booster stations and five (5) storage tanks with a storage capacity of 735,000 gal.

The purpose of this project is to increase the capacity from 0.33 MGD to 1.5 MGD. This will be accomplished by completing the following: expand the building for additional treatment facilities, install new transfer tank and waste tank, scrub the wells for increased raw water production, install new well head, replace filtering systems and high service pumps, install telemetry, and other necessary appurtenances.

The proposed cost for this project is $8,448,000. The PSD will pursue a funding scenario of a $50,000 contribution from the County Commission, a $2,000,000 Congressionally Directed Spending Grant, and a $6,398,000 DWTRF Loan. $50,000 of Preliminary Funding Assistance from the IJDC will be repaid.

NEED FOR PROJECT

The PSD has devised a plan, using an extensive study, to address the current multi-billion dollar Economic Development occurring in the District and surrounding areas. These businesses need service and, it is apparent, that these facilities will create hundreds of jobs and an increase in customers needing service once the planned housing developments are in place. This project is just one of multiple projects laid out to be implemented to meet these future needs.

More specifically, the Ashton WTP and this project will address the need for more capacity in the area where the NUCOR steel plant is being constructed. The current WTP is at capacity and NUCOR itself needs service and is estimated to demand 40,000 GPD. Also, the future population growth from the anticipated 800+ jobs to be created will cause a large need for capacity to serve the new residences in planning. This economic development is predicted to bring secondary development, such as other businesses, that will need additional capacity. It is planned, in a future project, to install a dedicated, larger cross-connection line to the Crab Creek WTP, so the additional capacity can be shared.

This project will ensure that the customers served by this WTP will have a satisfactory supply of properly-treated water, preventing issues associated with inadequate quantity/quality of potable water, such as public health concerns.

DEFICIENCIES/COMMENTS

- Address whether the Ashton WTP is in good operating condition, whether it is meeting its permit requirements, and whether it is being properly maintained.
- The population is predicted to increase, but no actual amount was provided. Therefore, no EDUs for this increase was provided.
- No capacities given on future storage tanks to be built in future Phase.
- A public meeting must be held.
- Will there be issues concerning floodplains?
- What is the status of resolving the deficiencies indicated in the Sanitary Survey issued on 03/13/26?

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

July 14, 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. 2024W-2644
Mason County PSD – Water Treatment Plant Upgrades (Ashton)
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:

__X__ 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: July 14, 2026

PROJECT SPONSOR: **MASON COUNTY PUBLIC SERVICE DISTRICT – (WATER)**

PROJECT SUMMARY: The Mason County PSD is proposing to make improvements to its Ashton water treatment plant and distribution system.

PROPOSED FUNDING:

DWTRF Loan (2.75%, .25% AF, 20 yrs.)	$6,398,000
Congressionally Directed Spending	2,000,000
Mason County Commission Grant	50,000
Total	$8,448,000

CURRENT RATES:

$46.25	3,400 gallons
$52.40	4,000 gallons

PROPOSED RATES:

$67.52	3,400 gallons
$76.50	4,000 gallons

Application No. 2024W-2644

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

FINANCIAL: William Nelson

1. Current rates ($46.25 for 3,400 gallons) are below the rates attributable to 1.25% ($53.98), 1.5% ($64.78), 1.75% ($75.57), and 2.0% ($86.37) 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 $719,176, $1,723,696, $2,728,216, and $3,732,735 respectively.

2. Using Scenario 1, the preferred funding package consisting of a DWTRF Loan of $6,398,000 at 2.75%, with a .25% Administrative Fee for 20 years, a Congressionally Directed Spending Grant of $2,000,000, and a Mason County Commission Grant of $50,000, proposed rates ($67.52 for 3,400 gallons) will provide a cash flow surplus of $450,876 and debt service

coverage of 146.82%.

3. Using the Scenario 2 alternate loan package of $8,398,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), and committed funds consisting of a Mason County Commission Grant of $50,000, proposed rates ($69.93 for 3,400 gallons) will provide a cash flow surplus of $629,002 and debt service coverage of 152.69%.

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 applicant's Rule 42 Exhibit submitted with the application.

   C. Staff used the MHI for Mason County of $51,820 from the 2020 U.S. Census versus the MHI of $34,779 for the Mason County Waggener District that was listed in the application. Utilizing this MHI would result in proposed rates exceeding 2.0% of the Waggener MHI and thus providing more favorable DWTRF Loan terms.

   D. Staff notes the Applicants cash flow analyses includes the impact of a number of pending projects to be undertaken and the current project which is the subject of this application. The project is identified as the Ashton project and the applicable Cash Flow Analysis reflects increased rates for each project. The Applicant's preferred rates for this project are $67.52, which Staff's analysis is based on.

   E. Staff has included a Scenario 3 analysis. Staff notes that the project sponsor is proposing a DWTRF Loan at 2.75%, .25% Administrative fee, for 20 years. Since proposed target rates of $67.52 (3,400 gallons) are greater than 1.5% ($64.78) but less than 1.75% ($75.57) of MHI, the terms of this proposed DWTRF loan would typically be 1.75%, .25% Admin. Fee, for 30 years, for the preferred funding package. If the preferred funding package is adjusted for this change, proposed target rates ($67.52 for 3,400 gallons) would provide a cash flow surplus of $609,607 and debt service coverage of 155.78%.

F. Staff also notes, the Max Rate Scenario cash flow analysis, provided by the project sponsor, reflects the impact of proposed max rates for the Lakin and South Phase 1 Projects as well. Staff reflected the respective debt service amounts for the Lakin and South Phase 1 projects in its Scenario 2 Analysis.

G. 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.

H. The Public Service District should carefully evaluate its revenue requirements before pursuing a rate increase in order to ensure that rates are sufficient to provide a reasonable surplus and meet coverage requirements. Staff notes that the District is a political subdivision of the state and it has at least 4,500 customers and annual gross revenues of $3 million or more. Therefore, in accordance with Senate Bill 234, effective June 12, 2015, the Commission has no jurisdiction regarding the District's rates pursuant to WV Code 24-2-4a and WV Code 16-13A-9. However, the Commission does have jurisdiction pursuant to WV Code 24-2-1 (b)(6) for the investigation and resolution of disputes involving political subdivisions of the state regarding inter-utility agreements, rates, fees and charges, service areas and contested utility combinations.

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 Mason County PSD is proposing to make improvements to its Ashton water treatment plant and distribution system. The proposed project scope includes: mobilization, demobilization, pre-construction video recording, erosion and sediment control, four (4) 500 GPM pumps for existing wells, a new well head (with 500 GPM pump), 400 LF of 24-inch

PVC transmission line (chemical reaction pipe), 700 LF of upsizing groundwater transmission line to 12-inch PVC, 600 LF of upsizing groundwater transmission line to 6-inch PVC, 500 LF of transmission line from new well to Ashton WTP, pre-treatment ($KMNO_4$ treatment), 3 new pressure filters (with LayneOx media, concrete lined DI piping, & valves), two (2) 500 GPM vertical turbine pumps, two (2) 1000 GPM backwash pumps, 24,000-gallon backwash tank, 54,000-gallon clearwell tank, 30ft x 60ft treatment building addition, HVAC improvements, chemical tanks (pumps, piping, secondary containment, mechanical and electrical work), SCADA monitoring and controls, miscellaneous electrical upgrades, upgrade PLC, site work, 500kW diesel emergency generator, yard piping, and all necessary appurtenances. The estimated construction cost is $6,750,000 (includes 10.20% construction contingency), and the estimated total project cost is $8,448,000 (includes 1.98% project contingency).

Need: The PER indicates that the PSD anticipates new and higher water demands due to the construction of the Nucor Steel complex projected at 40,000 GPD, and an increase in customer demand related to additional potential residential customers and commerce. Due to the anticipated increase in demand the PSD needs to be equipped to handle the water needs of future developments, including updated equipment (SCADA systems, etc.).

Customer Density: This project is an upgrade project; therefore, customer density will remain unchanged. However, it is anticipated that the Nucor Steel complex will begin production by or in 2027, and the PSD anticipates some residential and commercial growth within the Ashton service area.

Cost per Customer: Based upon the estimated total project cost of $8,448,000, and having approximately 6037 customers, the cost per customer will be approximately $1,400. However, the cost per customer in terms of proposed borrowing is $1,060, as the proposed funding is 75.74% loan.

3. Project Alternatives: The PER evaluated 2 alternatives: Alternative #1 – Increase Capacity at Ashton WTP, and Alternative #2 – Do Nothing. The PER states that Alternative #1 was selected.

4. Consolidation: There are no consolidation opportunities presented by this project.

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 O&M increase of $141,588.04, due to increases related to purchased power, chemicals, materials and supplies, fuel (generator).

6. Engineering Agreement: The application includes information to determine compliance with <u>West Virginia Code</u> §5G-1-1, *et seq*. Total technical services (engineering) costs for the project are $1,195,000, which is equal to 17.70% of the construction cost of $6,750,000 (includes 10.20% construction contingency).

7. Deficiencies/Comments:
   - Nothing significant to note.

MASON COUNTY PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2024W-2644
July 14, 2026

PREFERRED FUNDING PACKAGE
SCENARIO 1

		Rule 42 Going Level Per Application Before Project	Rule 42 Proforma Per Application with Project	Staff Adjustments		Per Staff Analysis
		1	2	3		4
		$	$	$		$
AVAILABLE CASH						
Operating Revenues		4,334,277	6,582,951	(379,989)	(1)	6,202,962
Other Operating Revenue		150,010	210,010	-		210,010
SB 234 Annual Working Cash Collections			-	379,989	(2)	379,989
Interest Income & Other Misc.		37,884	37,884	-		37,884
Total Cash Available		4,522,171	6,830,845	-		6,830,845
OPERATING DEDUCTIONS						
Operating Expenses		2,753,230	3,039,911	351	(3)	3,040,262
Taxes		108,111	108,111	-		108,111
Total Cash Requirements Before Debt Service		2,861,341	3,148,022	351		3,148,373
Cash Available for Debt Service	(A)	1,660,830	3,682,823	(351)		3,682,472
DEBT SERVICE REQUIREMENTS						
Principal & Interest	(B)	704,937	2,539,087	(30,876)	(4)	2,508,211
Other Debt		-	-	-		-
Reserve Account @ 10%		-	186,159	(3,087)	(5)	183,072
Renewal & Replacement Fund (2.5%)		113,054	170,771	(10,447)	(6)	160,324
Total Debt Service Requirement		817,991	2,896,017	(44,410)		2,851,607
SB 234 Cash Working Capital		344,154	379,989	-		379,989
Remaining Cash		498,685	406,817	44,059		450,876
Percent Coverage	(A) / (B)	235.60%	145.05%			146.82%
Average rate for 3,400 gallons		$ 46.25	$ 67.52	$ -		$ 67.52
Average rate for 4,000 gallons		$ 52.40	$ 76.50	$ -		$ 76.50

MASON COUNTY PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2024W-2644

Attachment A
PREFERRED FUNDING PACKAGE
SCENARIO 1

Staff Adjustments

	Adjustment Description		$	Increase <Decrease>
(1)	**Operating Revenues**	**Per Staff Analysis**	**6,202,962**	**(379,989)**
		Per Application with Project	**6,582,951**	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	**SB 234 Annual Working Cash Collections**	**Per Staff Analysis**	**379,989**	**379,989**
		Per Application with Project	**-**	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	**Operating Expenses**	**Per Staff Analysis**	**3,040,262**	**351**
		Per Application with Project	**3,039,911**	
	Staff's calculation included administrative fee difference associate with DWTRF Loan.			
(4)	**Principal & Interest**	**Per Staff Analysis**	**2,508,211**	**(30,876)**
		Per Application with Project	**2,539,087**	
	The difference in P&I is related to Staff's calculation of a loan of $6,398,000 for 20 years at 2.75%.			
(5)	**Reserve Account @ 10%**	**Per Staff Analysis**	**183,072**	**(3,087)**
		Per Application with Project	**186,159**	
	Staff assumed a 10% reserve on the new debt.			
(6)	**Renewal & Replacement Fund (2.5%)**	**Per Staff Analysis**	**160,324**	**(10,447)**
		Per Application with Project	**170,771**	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

MASON COUNTY PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2024W-2644
July 14, 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		4,334,277	6,819,358	(376,340)	(1)	6,443,018
Other Operating Revenue		150,010	210,010	-		210,010
SB 234 Annual Working Cash Collections			-	376,340	(2)	376,340
Interest Income & Other Misc.		37,884	37,884	-		37,884
Total Cash Available		4,522,171	7,067,252	-		7,067,252
OPERATING DEDUCTIONS						
Operating Expenses		2,753,230	3,010,720	-		3,010,720
Taxes		108,111	108,111	-		108,111
Total Cash Requirements Before Debt Service		2,861,341	3,118,831	-		3,118,831
Cash Available for Debt Service	(A)	1,660,830	3,948,421	-		3,948,421
DEBT SERVICE REQUIREMENTS						
Principal & Interest	(B)	704,937	2,776,805	(190,893)	(3)	2,585,912
Other Debt		-	-	-		-
Reserve Account @ 10%		-	209,931	(19,089)	(4)	190,842
Renewal & Replacement Fund (2.5%)		113,054	176,681	(10,355)	(5)	166,326
Total Debt Service Requirement		817,991	3,163,417	(220,337)		2,943,080
SB 234 Cash Working Capital		344,154	376,340	-		376,340
Remaining Cash		498,685	408,664	220,337		629,002
Percent Coverage	(A) / (B)	235.60%	142.19%			152.69%
Average rate for 3,400 gallons		$ 46.25	$ 69.93	$ -		$ 69.93
Average rate for 4,000 gallons		$ 52.40	$ 79.23	$ -		$ 79.23

MASON COUNTY PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2024W-2644

Attachment B
LOAN PACKAGE
SCENARIO 2

Staff Adjustments

	Adjustment Description		$	Increase <Decrease>
(1)	**Operating Revenues**	**Per Staff Analysis**	**6,443,018**	**(376,340)**
		Per Application with Project	**6,819,358**	

Adjust revenues in accordance with PSC General Order 183.11.

(2)	**SB 234 Annual Working Cash Collections**	**Per Staff Analysis**	**376,340**	**376,340**
		Per Application with Project	**-**	

Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.

(3)	**Principal & Interest**	**Per Staff Analysis**	**2,585,912**	**(190,893)**
		Per Application with Project	**2,776,805**	

The difference in P&I is related to Staff's calculation of a loan of $8,398,000 for 40 years (paid over 38 years) at 5%.

(4)	**Reserve Account @ 10%**	**Per Staff Analysis**	**190,842**	**(19,089)**
		Per Application with Project	**209,931**	

Staff assumed a 10% reserve on the new debt.

(5)	**Renewal & Replacement Fund (2.5%)**	**Per Staff Analysis**	**166,326**	**(10,355)**
		Per Application with Project	**176,681**	

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

MASON COUNTY PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2024W-2644
July 14, 2026

PREFERRED FUNDING PACKAGE
SCENARIO 3

		Rule 42 Going Level Per Application Before Project	Rule 42 Proforma Per Application with Project	Staff Adjustments		Per Staff Analysis
		1	2	3		4
		$	$	$		$
AVAILABLE CASH						
Operating Revenues		4,334,277	6,582,951	(379,989)	(1)	6,202,962
Other Operating Revenue		150,010	210,010	-		210,010
SB 234 Annual Working Cash Collections			-	379,989	(2)	379,989
Interest Income & Other Misc.		37,884	37,884	-		37,884
Total Cash Available		4,522,171	6,830,845	-		6,830,845
OPERATING DEDUCTIONS						
Operating Expenses		2,753,230	3,039,911	266	(3)	3,040,177
Taxes		108,111	108,111	-		108,111
Total Cash Requirements Before Debt Service		2,861,341	3,148,022	266		3,148,288
Cash Available for Debt Service	(A)	1,660,830	3,682,823	(266)		3,682,557
DEBT SERVICE REQUIREMENTS						
Principal & Interest	(B)	704,937	2,539,087	(175,100)	(4)	2,363,987
Other Debt		-	-	-		-
Reserve Account @ 10%		-	186,159	(17,510)	(5)	168,649
Renewal & Replacement Fund (2.5%)		113,054	170,771	(10,447)	(6)	160,324
Total Debt Service Requirement		817,991	2,896,017	(203,056)		2,692,961
SB 234 Cash Working Capital		344,154	379,989	-		379,989
Remaining Cash		498,685	406,817	202,790		609,607
Percent Coverage	(A) / (B)	235.60%	145.05%			155.78%
Average rate for 3,400 gallons		$ 46.25	$ 67.52	$ -		$ 67.52
Average rate for 4,000 gallons		$ 52.40	$ 76.50	$ -		$ 76.50

MASON COUNTY PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO: 2024W-2644

Attachment C
PREFERRED FUNDING PACKAGE
SCENARIO 3

Staff Adjustments

	Adjustment Description		$	Increase <Decrease>
(1)	**Operating Revenues**	**Per Staff Analysis**	**6,202,962**	**(379,989)**
		Per Application with Project	**6,582,951**	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	**SB 234 Annual Working Cash Collections**	**Per Staff Analysis**	**379,989**	**379,989**
		Per Application with Project	**-**	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	**Operating Expenses**	**Per Staff Analysis**	**3,040,177**	**266**
		Per Application with Project	**3,039,911**	
	Staff's calculation included administrative fee difference associate with DWTRF Loan.			
(4)	**Principal & Interest**	**Per Staff Analysis**	**2,363,987**	**(175,100)**
		Per Application with Project	**2,539,087**	
	The difference in P&I is related to Staff's calculation of a loan of $6,398,000 for 30 years at 1.75%.			
(5)	**Reserve Account @ 10%**	**Per Staff Analysis**	**168,649**	**(17,510)**
		Per Application with Project	**186,159**	
	Staff assumed a 10% reserve on the new debt.			
(6)	**Renewal & Replacement Fund (2.5%)**	**Per Staff Analysis**	**160,324**	**(10,447)**
		Per Application with Project	**170,771**	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			