



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: June 16, 2026

Subject: Mountain Top PSD
IJDC Application - 2026W-2780
Water Meter Replacement

-
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.

Promoting a healthy environment.

- 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:

This project will replace the existing outdated meters with an automated meter reading drive-by radio-read system to improve billing accuracy, enhance leak detection capabilities, and support long-term system management.

The proposed cost for this project is \$1,165,000. The PSD will pursue a funding scenario of a \$400,000 Congressionally Directed Spending (CDS) Grant, a \$100,000 WV Governor's Civil Contingency Grant (CDS Match), a \$330,000 DWTRF Principal Forgiveness Loan, and a \$335,000 WV IJDC Grant.

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: Corey McComas, DWWM

DATE: May 26, 2026

SUBJECT: Mountain Top PSD
Water Meter Replacement
IJDC No. 2026W-2780

RECOMMENDATION

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

PROJECT DESCRIPTION

Mountain Top Public Service District (PSD) operates a water system in both the Grant and Mineral counties that has the Mill Run reservoir and serves 923 customers throughout the service area. The PSD owns and operates a Class II water treat plant (PWSID# 3301205) that can produce and distribute approximately 360,000 gallons per day.

This project will consist of replacing 1,017 existing water meters, billing system integration, billing software, and training for the billing software.

The proposed cost for this project is \$1,165,000.00. The PSD will pursue a funding scenario of a \$400,000 Congressionally Directed Spending (CDS) Grant, \$100,000 WV Governor's Civil Contingency Grant (CDS Match), \$330,000 DWTRF Principal Forgiveness Loan, and \$335,000 WV IJDC Grant.

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NEED FOR PROJECT

The PSD's existing water meters are manual-read. Meter readings currently require several days of field collection and manual data entry into the billing system, which limits operational efficiency and the ability to promptly identify leaks or abnormal usage.

The proposed project will modernize the system and consists of replacing the existing meters with an automated system to improve billing accuracy, enhance leak detection capabilities, and support long-term system management.

DEFICIENCIES/COMMENTS

- A project-specific public meeting must be held.

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 10, 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. 2026W-2780
Mountain Top PSD – Water Meter Replacement
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 10, 2026

**PROJECT SPONSOR: MOUNTAIN TOP PUBLIC SERVICE DISTRICT
(WATER)**

PROJECT SUMMARY: The Mountain Top Public Service District is proposing to replace its existing water meters with an Automated Meter Reading system.

PROPOSED FUNDING: DWTRF Principal Forgiveness	\$ 330,000
IJDC Grant	\$ 335,000
Congressionally Directed Grant	\$ 400,000
CDS Match Grant	\$ 100,000
Total	<u>\$1,165,000</u>

**CURRENT/
PROPOSED RATES:** \$52.10 3,400 gallons
\$60.50 4,000 gallons

Application No. 2026W-2780

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

FINANCIAL: Stephen Edens

1. Current rates (\$52.10 for 3,400 gallons) are above the rate attributable to 1.25% (\$43.24) and 1.5% (\$51.89) of the Median Household Income (MHI), but below the rates attributable to 1.75% (\$60.54) and 2.0% (\$69.19) of the MHI. Increasing current rates to 1.75% and 2.0% of the MHI would provide additional revenues of \$97,447 and \$197,318 respectively.
2. Using Scenario 1, the preferred funding package consisting of a DWTRF Principal Forgiveness of \$330,000, a \$335,000 IJDC Grant, a Congressionally Directed Grant of \$400,000, and a \$100,000 CDS Match Grant, proposed rates (\$52.10 for 3,400 gallons) will provide a cash flow surplus of \$11,296 and debt service coverage of 155.48%.

3. Using the Scenario 2 alternate loan package of \$765,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), and committed funds consisting of a Congressionally Directed Grant of \$400,000, proposed rates (\$57.31 for 3,400 gallons) will provide a cash flow surplus of \$26,752 and debt service coverage of 153.76%.

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 used the MHI of \$41,512 based on a weighted average provided in the filing, rather than the 2020 U.S. Census for Mineral County of \$51,723.
- E. Staff notes the Applicant is requesting a waiver of Rule 42 Exhibit requirement.
- F. Staff notes the Project Accountant's Max Rate Cash Flow proforma block shows an incorrect Debt service coverage factor of 198.04% rather than the actual 138.68%.
- 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.

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 Mountain Top Public Service District is proposing to replace its existing water meters with an Automated Meter Reading system. The proposed project scope includes: an audit of existing water meters, replacement of one-thousand (1000) 5/8"x3/4" water meters, replacement of six (6) 1-inch water meters, replacement of six (6) 2-inch water meters, replacement of three (3) 3-inch water meters, replacement of two (2) 4-inch water meters, 650 water well lids and frames, 255 high pressure meter setter regulators, complete billing integration and training, software fee (1 year hosting fee), and necessary appurtenances. The estimated construction cost is \$905,000 (includes 10% construction contingency), and the estimated total project cost is \$1,165,000 (includes 10% project contingency).

Need: The PER indicates that the PSD has an "...outdated..." meter reading system, which is resulting in unreliable customer data and customer usage discrepancies, while requiring PSD employees' to spend numerous hours manually reading the meters. The PER states "The PSD's current water loss is estimated at 46.21%, indicating a substantial deficiency that exceeds the acceptable threshold of 15% for system efficiency."

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 \$1,165,000, and having approximately 910 customers, the cost per customer will be approximately \$1,281. 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) alternatives: Alternative #1 – AMR Drive-by Radio-Read Water Meter System Integration, Alternative #2 – AMI Cellular Read Water Meter System Integration, and Alternative #3 – Do Nothing.
4. Consolidation: There are no consolidation opportunities presented by this project.

5. Operation and Maintenance (O&M) Expenses: The PER included a statement that O&M expenses are anticipated to increase by \$2,000 annually due to the software fee associated with the proposed meter system.
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 \$185,000, which is equal to 20.44% of the construction cost of \$905,000 (includes 10.0% construction contingency).
7. Deficiencies/Comments:
 - The Application identifies 910 existing customers; however, the PER identifies 923 customers and the project scope includes 1,017 water meters. (2025 PSC Annual Report – 923 customers)
 - The PER indicates the PSD's water loss is approximately 46.21%.
 - The proposed scope of work only replaces water meters, and does not include replacement of water lines, equipment, or other items that could potentially address the high water loss.
 - The PER did not include any evidence to support that replacement of the water system's meters would reduce the reported water loss.
 - The PER did not provide any discussion of leak detection equipment or leak evaluations conducted by the PSD or the engineering firm.
 - The PER did not indicate if the PSD has been testing the meters, as required by PSC Rules.
 - The PER did not identify the condition of any of the PSD's six (6) water storage tanks that were constructed in 1978 or 1960.
 - The PER did not include any discussion of the PSD's metering of treated water leaving the WTP, operating times at the WTP, or leak repairs on the water distribution system.
 - The IJDC Application included \$12,000 in Construction Contingency, and this amount was identified as Project Contingency in the PER.
 - The IJDC Application identified a Construction Cost Estimate of \$905,000 prior to Construction Contingency. The PER indicates a Construction Sub-Total of \$822,350, with an additional \$82,650 in Construction Contingency for a Construction Total of \$905,000.

MOUNTAIN TOP PUBLIC SERVICE DISTRICT - WATER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO. 2026W-2780
 June 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
	\$	\$	\$	\$
AVAILABLE CASH				
Operating Revenues	647,174	647,174	(51,819) (1)	595,355
Other Operating Revenue	23,017	23,017	-	23,017
SB 234 Annual Working Cash Collections			51,819 (2)	51,819
Interest Income & Other Misc.	5,069	5,069	-	5,069
Total Cash Available	675,260	675,260	-	675,260
OPERATING DEDUCTIONS				
Operating Expenses	412,552	414,552	-	414,552
Taxes	15,842	15,842	-	15,842
Total Cash Requirements Before Debt Service	428,394	430,394	-	430,394
Cash Available for Debt Service (A)	246,866	244,866	-	244,866
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	157,486	157,486	-	157,486
Other Debt			-	-
Reserve Account @ 10%	8,806	8,806	-	8,806
Renewal & Replacement Fund (2.5%)	16,755	16,755	(1,296) (3)	15,459
Total Debt Service Requirement	183,047	183,047	(1,296)	181,751
SB 234 Cash Working Capital	51,569	51,819	-	51,819
Remaining Cash	12,250	10,000	1,296	11,296
Percent Coverage (A) / (B)	156.75%	155.48%		155.48%
Average rate for 3,400 gallons	\$ 52.10	\$ 52.10	\$ -	\$ 52.10
Average rate for 4,000 gallons	\$ 60.50	\$ 60.50	\$ -	\$ 60.50

**MOUNTAIN TOP PUBLIC SERVICE DISTRICT - WATER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO. 2026W-2780**

**Attachment A
 PREFERRED FUNDING PACKAGE
 SCENARIO 1**

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	595,355	(51,819)
		Per Application with Project	647,174	
Adjust revenues in accordance with PSC General Order 183.11.				
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	51,819	51,819
		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	15,459	(1,296)
		Per Application with Project	16,755	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				

MOUNTAIN TOP PUBLIC SERVICE DISTRICT - WATER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO. 2026W-2780
 June 10, 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	647,174	714,193	(51,819) (1)	662,374
Other Operating Revenue	23,017	23,017	-	23,017
SB 234 Annual Working Cash Collections			51,819 (2)	51,819
Interest Income & Other Misc.	5,069	5,069	-	5,069
Total Cash Available	675,260	742,279	-	742,279
OPERATING DEDUCTIONS				
Operating Expenses	412,552	414,552	-	414,552
Taxes	15,842	15,842	-	15,842
Total Cash Requirements Before Debt Service	428,394	430,394	-	430,394
Cash Available for Debt Service (A)	246,866	311,885	-	311,885
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	157,486	224,897	(22,059) (3)	202,838
Other Debt			-	-
Reserve Account @ 10%	8,806	15,547	(2,206) (4)	13,341
Renewal & Replacement Fund (2.5%)	16,755	18,430	(1,295) (5)	17,135
Total Debt Service Requirement	183,047	258,874	(25,559)	233,314
SB 234 Cash Working Capital	51,569	51,819	-	51,819
Remaining Cash	12,250	1,192	25,559	26,752
Percent Coverage (A) / (B)	156.75%	138.68%		153.76%
Average rate for 3,400 gallons	\$ 52.10	\$ 57.31	\$ -	\$ 57.31
Average rate for 4,000 gallons	\$ 60.50	\$ 66.55	\$ -	\$ 66.55

**MOUNTAIN TOP PUBLIC SERVICE DISTRICT - WATER
CASH FLOW ANALYSIS
YEAR ENDED: June 30, 2025
APPLICATION NO. 2026W-2780**

**Attachment B
LOAN PACKAGE
SCENARIO 2**

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	662,374	(51,819)
		Per Application with Project	714,193	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	51,819	51,819
		Per Application with Project	-	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	Principal & Interest	Per Staff Analysis	202,838	(22,059)
		Per Application with Project	224,897	
	The difference in P&I is related to Staff's calculation of a loan of \$765,000 for 40 years (paid back over 38 years) at 5%.			
(4)	Reserve Account @ 10%	Per Staff Analysis	13,341	(2,206)
		Per Application with Project	15,547	
	Staff assumed a 10% reserve on the new debt.			
(5)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	17,135	(1,295)
		Per Application with Project	18,430	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			



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MEMORANDUM

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: May 21, 2026

SUBJECT: Infrastructure Preliminary Application for the Mountain Top PSD: Water MeterSystem Improvement in Mineral County, WV. (2026W-2780)

We have reviewed the above referenced project application information. The Clarksburg Water Board discharges its backwash to its site, which is covered under WV/NPDES Permit No. WVG640061, and expires July 18, 2028.

If the Mountain Top PSD 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 Mountain Top PSD should contact Mr. Brad Wright or a member of his staff at (304)-926-0499, extension 49746 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 sandblasting. If it is determined that the paint is not hazardous, the Mountain Top PSD 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.

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