



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: Preston County PSD #4
IJDC Application - 2025W-2685
Tank & Meter 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.

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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 purchase and install Automatic Meter Reader (AMR) meters for the entire system, replace four (4) existing water storage tanks, upgrade the telemetry system at the WTP, install three (3) permanent backup generators, and complete a water source study. This project will improve efficiency and reliability of meter readings, ensure the structural integrity of aging water tanks and will find additional water sources to meet present and future needs.

BPH expressed concerns regarding the impacts to water quality if the anticipated growth does not occur. This will need to be addressed during the design of the system.

The proposed cost for this project is \$8,622,860. The PSD will pursue a funding scenario of a \$3,000,000 of USEDA Grant, \$1,000,000 of WVIJDC Loan (3%, 20 yrs.), and \$4,622,860 of DWTRF Loan (2.75%, 0.25% admin., 20 yrs). The proposed monthly rate is \$39.34 (0.9% MHI) for 3,400 gallons.

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: Michael King, DWWM

DATE: April 14, 2026

SUBJECT: Preston County PSD #4
Tank & Meter Project
IJDC No. 2025W-2685

RECOMMENDATION

The IJDC application and Preliminary Engineering Report (PER), prepared by Stantec Consulting Services, Inc. for the above referenced project, have been reviewed and are technically feasible.

PROJECT DESCRIPTION

The Preston County Public Service District (PSD) #4 owns and operates the Glade Run Water Treatment Plant (WTP) under Public Water System Identification Number (PWSID#) WV3303923, which is located on Old Clifton Mills Road in Brandonville, West Virginia. The 1.5 MGD capacity Glade Run WTP serves approximately 2,297 customers via a system that includes 16 water storage tanks, 7 wells, approximately 143 miles of water line, and 11 booster stations.

The proposed project will purchase and install Automatic Meter Reader (AMR) meters for the entire system, replace four (4) existing water storage tanks, upgrade the telemetry system at the WTP, install three (3) permanent backup generators, and complete a water source study.

The proposed cost for this project is \$8,622,860.00. The PSD will pursue a funding scenario of a \$3,000,000.00 of USEDA Grant, \$1,000,000.00 of WVIJDC Loan (3%, 20 yrs), and \$4,622,860.00 of DWTRF Loan (3%, 20 yrs). The proposed monthly rate for 3,400 gallons is

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\$39.34 (0.9% MHI) and represents a rate increase of approximately 17.0% (based on the Combined Application).

NEED FOR PROJECT

The Glade Run WTP currently operates 16-18 hrs/day with a peak flow rate of 950 GPM (1.3 MGD) during the summer months, which is approximately 87% of the WTP's rated capacity. The expected organic growth of 2% per year would require an increase in flow demands of approximately 470 GPM over the next 20 years. Additionally, with anticipated expansion of the industrial park within the service area, the expansion of an RV camping development in the service area, and real estate developments requesting service commitments, PSD #4 is likely to see a total increase in flow demands of approximately 875 GPM (1.25 MGD) in the next 20 years.

The Preston County PSD currently is manually reading meters each month. Installing Automatic Meter Reading (AMR) for all meters is estimated to reduce man hours and distance traveled by the PSD by 75% and 50% respectively. Also, based on visual inspection, all of the PSD's eighteen (18) water storage tanks are in need of structural repairs, repainting inside and out, or full replacement.

This proposed project would be to ensure the Glade Run WTP can adequately supply finished water for both its existing customer base and anticipated new customers within the PSD #4 service area.

DEFICIENCIES/COMMENTS

- A cybersecurity assessment is recommended.
- Using the Combined Application, the Total Engineering Fees appear to be below the ASCE Curves.

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



April 7, 2026

Meredith J. Vance, Director
Environmental Engineering Division, WVBPH
Katheryn Emery, P.E., Program Manager
CWSRF & DWTRF, Division of Water and Waste Management, WVDEP

Re: Public Service Commission Staff Review Comments
Application No. 2025W-2685
Preston County PSD No. 4 – 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 7, 2026

PROJECT SPONSOR: PRESTON COUNTY PSD NO. 4 - (WATER)

PROJECT SUMMARY: The Preston County PSD No. 4 is proposing to make improvements to its water distribution system.

PROPOSED FUNDING: IJDC Loan (3%, 20 yrs.)	\$1,000,000
DWTRF Loan (2.75%, .25% AF, 20 yrs.)	\$4,622,860
USED A Grant	<u>\$3,000,000</u>
Total	<u>\$8,622,860</u>

CURRENT RATES:	\$33.63	3,400 gallons
	\$39.56	4,000 gallons

PROPOSED RATES:	\$39.34	3,400 gallons
	\$46.28	4,000 gallons

Application No. 2025W-2685

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

FINANCIAL: Stephen Edens

1. Current rates (\$33.63 for 3,400 gallons) are below the rates attributable to 1.25% (\$54.16), 1.5% (\$64.99), 1.75% (\$75.82), and 2.0% (\$86.65) 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 \$1,451,797, \$2,217,830, \$2,983,863 and \$3,749,896 respectively.
2. Using Scenario 1, the preferred funding package consisting of an IJDC Loan of \$1,000,000 at 3% for 20 years, a DWTRF Loan of \$4,622,860 at 2.75%, .25% Admin. Fee for 20 years, and a USED A Grant of \$3,000,000, proposed rates (\$39.34 for 3,400 gallons) will provide a cash flow surplus of \$137,817 and debt service coverage of 155.03%.

3. Using the Scenario 2 alternate loan package of \$8,622,860 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates (\$40.63 for 3,400 gallons) will provide a cash flow surplus of \$76,483 and debt service coverage of 142.33%.
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 Rule 42 Exhibit submitted with the application.
 - D. Staff notes, the Rule 42 Going Level and Proforma Bill Analyses do not reflect and show the same correction factors for each customer class being carried through from Per Books. Staff reconciled the difference in its analysis.
 - 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.

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 Preston County PSD No. 4 is proposing to make improvements to its water distribution system. The proposed project scope includes: 2500 AMR meters, replacement of 105,000-gallon (Brandonville) water storage tank, replacement of 124,000-gallon (Glade Farm) water storage tank, replacement 199,000-gallon (Intermediate) water storage tank, replacement of 105,000-gallon (Bruceton) water storage tank, improvements to the Glade Farm Tank (power, light, new transmitter and transducer), telemetry system upgrades, 3 generators (Brandonville & Intermediate Booster Pump Stations, and 100KV [mobile]), drilling of 4 test wells, well testing (drill monitoring, aquifer analysis, and GWUDI sampling), and necessary appurtenances. The estimated construction cost is \$7,081,360 (includes 10% construction contingency), and the estimated total project cost is \$8,622,860 (includes 4.4% project contingency).

Need: The PER indicates the existing WTP has average run times exceeding 16 hours/day, which is approximately 87% of the WTP's capacity. Additionally, the PER states that residential growth, expansion of industrial parks, and an RV camping development is expected to increase the demand for water service. Three (3) water storage tanks are welded steel, and in need of structural repairs, repainting (interior and exterior) or full replacement. The existing meter system requires 2 people at least 12 days each month to manually read all the existing meters.

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 \$8,622,860, and having approximately 2297 customers, the cost per customer will be approximately \$3,754. The cost per customer in terms of proposed borrowing is \$2,448, as the proposed funding is 65.2% loan.

3. Project Feasibility: The project appears to be technically feasible and poses little technical risk.
4. Project Alternatives: The PER indicates that 3 Alternatives were considered: Alternative 1 – Purchase and Install Automatic Meter Reader (AMR) to Replace Entire System, Three (3) Generators, Upgrade the Telemetry System, and Completion of a Water Source Study; Alternative 2 – Replace Four (4) Existing Water Storage Tanks, Provide Three (3) Generators, Upgrade Telemetry System, and Completion of a Water Source Study; and Alternative 3 – Purchase and Install AMR Meters to Replace Entire System,

Replace Four (4) Existing Water Storage Tanks, Upgrade the Telemetry System, Three (3) Generators, and Completion of a Water Source Study.

5. Consolidation: There are no consolidation opportunities presented by this project.
6. Operation and Maintenance (O&M) Expenses: The PER did not include a breakdown of changes to O&M expenses. The PER did state that “Operation and maintenance (O&M) expenses are projected to be decreased when this project is completed because all the water meters and four tanks will be new. Therefore, for this report the O&M expenses will be assumed as no additional cost.”
7. 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 \$1,065,000, which is equal to 15.04% of the construction cost of \$7,081,360 (includes 10.0% construction contingency).
8. Deficiencies/Comments:
 - Nothing significant to note.

PRESTON COUNTY PUBLIC SERVICE DISTRICT NO. 4
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO. 2025W-2685
 April 7, 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	2,326,948	2,722,362	(199,587) (1)	2,522,775
Other Operating Revenue	115,946	115,946	-	115,946
SB 234 Annual Working Cash Collections			199,587 (2)	199,587
Interest Income & Other Misc.	83,952	83,952	-	83,952
Total Cash Available	2,526,846	2,922,260	-	2,922,260
OPERATING DEDUCTIONS				
Operating Expenses	1,596,696	1,596,696	6,102 (3)	1,602,798
Taxes	44,008	44,008	-	44,008
Total Cash Requirements Before Debt Service	1,640,704	1,640,704	6,102	1,646,806
Cash Available for Debt Service (A)	886,142	1,281,556	(6,102)	1,275,454
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	451,889	826,100	(3,404) (4)	822,696
Other Debt			-	-
Reserve Account @ 10%	12,305	49,727	(341) (5)	49,386
Renewal & Replacement Fund (2.5%)	63,171	73,056	(7,088) (6)	65,968
Total Debt Service Requirement	527,365	948,883	(10,833)	938,050
SB 234 Cash Working Capital	199,587	199,587	-	199,587
Remaining Cash	159,190	133,086	4,731	137,817
Percent Coverage (A) / (B)	196.10%	155.13%		155.03%
Average rate for 3,400 gallons	\$ 33.63	\$ 39.34	\$ -	\$ 39.34
Average rate for 4,000 gallons	\$ 39.56	\$ 46.28	\$ -	\$ 46.28

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	2,522,775	(199,587)
		Per Application with Project	2,722,362	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	199,587	199,587
		Per Application with Project	-	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	Operating Expenses	Per Staff Analysis	1,602,798	6,102
		Per Application with Project	1,596,696	
	Staff's calculation includes an Administrative Fee associated with the DWTRF loan.			
(4)	Principal & Interest	Per Staff Analysis	822,696	(3,404)
		Per Application with Project	826,100	
	The difference in P&I is related to Staff's calculation of loans of \$1,000,000 for 20 years at 3% and of \$4,622,860 for 20 years at 2.75%.			
(5)	Reserve Account @ 10%	Per Staff Analysis	49,386	(341)
		Per Application with Project	49,727	
	Staff assumed a 10% reserve on the new debt.			
(6)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	65,968	(7,088)
		Per Application with Project	73,056	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

PRESTON COUNTY PUBLIC SERVICE DISTRICT NO. 4
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO. 2025W-2685
 April 7, 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	2,326,948	2,811,588	(199,587) (1)	2,612,001
Other Operating Revenue	115,946	115,946	-	115,946
SB 234 Annual Working Cash Collections			199,587 (2)	199,587
Interest Income & Other Misc.	83,952	83,952	-	83,952
Total Cash Available	2,526,846	3,011,486	-	3,011,486
OPERATING DEDUCTIONS				
Operating Expenses	1,596,696	1,596,696	-	1,596,696
Taxes	44,008	44,008	-	44,008
Total Cash Requirements Before Debt Service	1,640,704	1,640,704	-	1,640,704
Cash Available for Debt Service (A)	886,142	1,370,782	-	1,370,782
DEBT SERVICE REQUIREMENTS				
Principal & Interest (B)	451,889	950,839	12,250 (3)	963,089
Other Debt			-	-
Reserve Account @ 10%	12,305	12,305	51,120 (4)	63,425
Renewal & Replacement Fund (2.5%)	63,171	75,287	(7,088) (5)	68,199
Total Debt Service Requirement	527,365	1,038,431	56,282	1,094,712
SB 234 Cash Working Capital	199,587	199,587	-	199,587
Remaining Cash	159,190	132,764	(56,282)	76,483
Percent Coverage (A) / (B)	196.10%	144.17%		142.33%
Average rate for 3,400 gallons	\$ 33.63	\$ 40.63	\$ -	\$ 40.63
Average rate for 4,000 gallons	\$ 39.56	\$ 47.79	\$ -	\$ 47.79

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis Per Application with Project	2,612,001 2,811,588	(199,587)
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis Per Application with Project	199,587 -	199,587
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	Principal & Interest	Per Staff Analysis Per Application with Project	963,089 950,839	12,250
	The difference in P&I is related to Staff's calculation of a loan of \$8,622,860 for 40 years (paid back over 38 years) at 5%.			
(4)	Reserve Account @ 10%	Per Staff Analysis Per Application with Project	63,425 12,305	51,120
	Staff assumed a 10% reserve on the new debt.			
(5)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis Per Application with Project	68,199 75,287	(7,088)
	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: March 19, 2026

SUBJECT: Infrastructure Preliminary Application for the Preston County PSD #4: Tank & Meter Project in Preston County, WV. (2025W-2685)

We have reviewed the above referenced project application information. The Preston County PSD #4, discharges its backwash to its site, which is covered under WV/NPDES Site Registration No. WVG640080, and expires July 18, 2028.

If the Preston County PSD #4 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 Preston County PSD #4 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 Preston County PSD #4 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