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west virginia department of environmental protection

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Division of Water and Waste Management  
601 57<sup>th</sup> Street, SE  
Charleston, WV 25304  
Phone: 304-926-0495 / Fax: 304-926-0463

Harold D. Ward, Cabinet Secretary  
dep.wv.gov

**MEMORANDUM**

**To:** Marie Prezioso, Chair  
Meredith J. Vance, Director, Environmental Engineering Division, BPH

**From:** Katheryn Emery, P.E. Engineering Chief  
Sewer Technical Review Committee

**Date:** April 12, 2024

**Subject:** Lewis County Economic Development Authority  
Preliminary Application: IJDC No. 2024W-2524  
Corridor H Water Extension Project

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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 wastewater 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:

The Lewis County Economic Development Authority is proposing to expand the existing water service area to developable land along Corridor H to provide critical infrastructure. The proposed expansion will provide water and fire protection to approximately fifty (30) existing, potential and 20 new customers. Currently the residential homes/business within the proposed extension area rely solely on wells, cisterns, or haul water. This expansion benefits the local community by providing fire protection to residents and also fosters an environment of job creation and fills the need for anticipated growth.

The project is 5,700,000 and the Lewis County Economic Development Authority intends to pursue a \$1,000,000 IJDC Grant, \$1,500,000 in DWTRF Principal Forgiveness, a \$3,076,000 Lewis County Commission Grant, and \$124,000 Private Grant from the WVAWC.

Using the Combined Application, the Engineering Fees appear to be within the ASCE curve.

Preliminary Project Ratings:

Public Health Benefits: 30  
Compliance with Standards: 10



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## MEMORANDUM

**TO:** Katheryn Emery, P.E., Engineer Chief, DWWM

**FROM:** Justin Moffitt, P.E., DWWM

**DATE:** April 1, 2024

**SUBJECT:** Lewis County Economic Development Authority  
Preliminary Application: IJDC No. 2024W-2524  
Corridor H Water Extension Project

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### RECOMMENDATION

The IJDC Application and Preliminary Engineering Report prepared by Civil and Environmental Consultants, Inc. for the above referenced project has been reviewed and is technically feasible.

### PROJECT DESCRIPTION

The Lewis County Economic Development Authority (LCEDA) does not own or operate the Water Treatment Plant (WTP) or the distribution system used to provide potable water to the residents of Lewis County. The LCEDA purchases potable water from West Virginia American Water Company's (WVAWC) WTP in Weston, WV. The Weston WTP intakes water from the West Fork River and permitted to operate under Public Water System Identification (PWSID#) WV3302104. The Weston WTP has recently been upsized to a capacity of four (4) million gallons per day (MGD).

The LCEDA currently serves approximately 1,144 residential customers within the area of Lewis County. The ability to serve the LCEDA customers is achieved through nine (9) water storage tanks with a combined storage capacity of 2,100,000 gallons.

The proposed project will extend water service to 20 new homes on Corridor H. The project will also replace 1.9 miles of undersized waterline beginning at the intersection of U.S. Route 33 and Horner Rd (County Route 33/3) and extending potable water service an additional 1.38 miles along U.S. Route 33. The project also consists of one (1) new 160,000 gallon water storage tank, one (1) telemetry system, one (1) 4 inch control valve station and fifteen (15) fire hydrant assemblies. The proposed total cost for the project is 5,700,000 and the LCEDA intends to

pursue a \$1,000,000 IJDC District 2 Grant, \$1,500,000 in DWTRF Principal Forgiveness, a \$3,076,000 Lewis County Commission (LCC) Grant, and \$124,000 Private Grant from WVAWC. The proposed monthly rate for 3,400 gallons is \$86.13 (2.21% MHI).

### **NEED FOR PROJECT**

The LCEDA proposes expanding the existing water service area to developable land along Corridor H to provide critical infrastructure. The proposed expansion will provide water and fire protection to approximately fifty (50) “existing, proposed and new” customers. Currently the residential homes/business within the proposed extension area rely solely on wells, cisterns, or haul water. The LCC and LCEDA have received several large business development requests along Corridor H that have been prohibited due to lack of critical infrastructure. This expansion benefits the local community by providing fire protection to residents and also fosters an environment of job creation and fills the need for anticipated growth.

### **DEFICIENCIES/COMMENTS**

- The final owner of the upgrades should be the applicant. An agreement or letter should be provided between West Virginia American Water Company and LCEDA to address the project and how they plan to move forward.
- The PER stated that the firm had selected Alternative #1 but the funding scenario matched Alternative #2. Calls and emails were exchanged to establish that the chosen design alternative was Alternative #2.
- Using the Combined Application, the Design, and Total Engineering Fees appear to be within the ASCE Curve.

#### Preliminary Project Ratings:

Public Health Benefits: 30  
Compliance with Standards: 10

# 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 11, 2024

Meredith J. Vance  
Office of Environmental Health Services  
350 Capitol Street, Room 313  
Charleston, West Virginia 25301-3713

Re: Public Service Commission Staff Review Comments  
Application No. 2024W-2524  
Lewis County EDA - Corridor H Line Extension  
Infrastructure Preliminary Application

Dear Ms. Vance:

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,

*Jonathan M Fowler*  
Jonathan M. Fowler, P.E.  
Engineering Division

Enclosures  
JMF:vb

**PUBLIC SERVICE COMMISSION STAFF  
TECHNICAL REVIEW**

**DATE:** April 10, 2024

**PROJECT SPONSOR:** LEWIS COUNTY EDA - WATER

**PROJECT SUMMARY:** This project will extend water service on US Rt. 33 East of Weston towards the Upshur County line to serve existing residential and commercial customers as well as new, anticipated industrial users.

<b>PROPOSED FUNDING:</b> WVAWC Contribution	\$ 124,000
IJDC District 2 Grant	\$1,000,000
DWTRF Principal Forgiveness	\$1,500,000
Lewis County Commission	<u>\$3,076,000</u>
Total	\$5,700,000

<b>CURRENT RATES:</b>	\$73.56	3,400 gallons (per Application)
	\$83.83	4,000 gallons (per Application)
	\$82.58	3,400 gallons (Actual Current Rates)
	\$94.17	4,000 gallons (Actual Current Rates)

<b>PROPOSED RATES:</b>	\$86.13	3,400 gallons
	\$96.40	4,000 gallons

Application No. 2024W-2524

**RECOMMENDATION:**  forward to the Funding Committee.  
 forward to the Consolidation Committee.  
 return to the Applicant.

**FINANCIAL:** Stephen Edens

1. Current rates (\$82.58 for 3,400 gallons: See Comment 2F) are above the rates attributable to 1.25% (\$45.72), 1.5% (\$54.87), 1.75% (\$64.01) and 2.0% (\$73.16) of the Median Household Income.

2. Notes to Comments:

A. Since the Applicant's rates and the operation and maintenance costs are "rolled into" the operations of the West Virginia-American Water

Company (WVAWC), no cash flow is attached. The current rates apply to many customers over large geographical areas who share the aggregated revenue requirements of the WVAWC. The Lewis County Economic Development Authority (Lewis County EDA) contracts with WVAWC for the operation of the water distribution facilities and customer services; Lewis County EDA does not operate any water facilities.

- B. WVAWC's contribution per customer, under the Commission's main extension rule, is approximately \$6,153. This assumes there are no further costs incurred on the extension. In this application, the Applicant proposes that WVAWC contribute \$124,000 ( $\$6,200 \times 20$  projected customers) toward the project which is based on approximately 100% of 20 potential customers. If the WVAWC contribution is based upon \$6,153 per potential customer, then they would provide \$123,060 ( $\$6,153 \times 20$  new customers). The difference between the proposed contribution of \$124,000 and the 7.5 calculated contribution of \$123,060 is \$940. An agreement with WVAWC detailing the amount and terms of their contribution should be filed with the Commission along with any CN filing made in this matter.
- C. On April 7, 2014, the Commission issued an order in Case No. 11-1451-W-C (involving public/private partnerships) which ordered that WVAWC, among other items, has an obligation to contribute the amount required by Water Rule 5.5 (now Water Rule 7.5) toward a proposed project as modified by substituting the current Company average usage into the formula.
- D. Staff notes that the project sponsor requested a Draft Rule 42 Exhibit waiver. We have no exception to this request.
- E. The current rates (\$73.56 for 3,400 gallons) listed in the preliminary application includes the Distribution System Improvement Charge (DSIC) of 5.98%. In addition, the \$73.56 (3,400 gallons) also includes a Bond Surcharge of \$2.32 per month for repayment of an existing WVIJDC Loan.
- F. It should be noted that the current rates (\$73.56 for 3,400 gallons) listed in the preliminary application were the rates in effect prior to West Virginia American Water receiving a rate increase in Case Nos. 23-0383-W-42T (C.O. dated February 23, 2024) and 23-0558-

WS-DSIC (C.O. dated March 1, 2024). The actual current rates are \$82.58 (3,400 gallons), which includes a DSIC (of 4.23% applied to meter charges and volumetric components of bills for WVAWC) and also includes the Bond Surcharge of \$2.32 per month for repayment of an existing WVIJDC Loan.

- G. The proposed rates (\$86.13 for 3,400 gallons) listed in the preliminary application includes the Distribution System Improvement Charge (DSIC) of 5.98%. In addition, the \$86.13 (3,400 gallons) also includes a Bond Surcharge of \$2.32 per month for repayment of an existing WVIJDC Loan and an additional surcharge of \$11.86 per month for a proposed WVIJDC Loan associated with another proposed project (Phase I).
- H. The proposed rates (\$86.13 for 3,400 gallons) listed in the preliminary application were not adjusted to reflect West Virginia American Water receiving a rate increase in Case Nos. 23-0383-W-42T (C.O. dated February 23, 2024) and 23-0558-WS-DSIC (C.O. dated March 1, 2024). The proposed rate would increase to approximately \$94.44 (3,400 gallons) if adjusted for the impact of the aforementioned rate increases, DSIC (of 4.23% applied to meter charges and volumetric components of bills for WVAWC), Bond Surcharge of \$2.32 per month for repayment of an existing WVIJDC Loan, and an additional surcharge of \$11.86 per month for a proposed WVIJDC Loan associated with another proposed project (Phase I).
- I. The tariff on file with the PSC, for Lewis County EDA, wasn't updated to reflect the increase in rates associated with Case No. 21-0369-W-42T.
- J. On February 23, 2024, the Commission approved, in Case No. 23-0383-W-42T, a rate increase for WVAW. WVAW filed its revised tariff schedules on March 14, 2024, with the Commission. The tariff for Lewis County EDA will also need to be updated to reflect the increase in rates associated with Case No. 23-0383-W-42T.

**ENGINEERING:** Brandon Crace

1. This project will require a Certificate of Convenience and Necessity from the PSC. The project sponsor reference this application number on the PSC's Form No. 4 when its application is filed at the Commission given the requirement of



West Virginia Code §24-2-11 (c) and (e) et seq. Staff notes that an affirmative determination of need for the project must be established in a Certificate filing at the PSC.

2. Scope: The Lewis County EDA has an O&M Agreement with WVAVWC for its existing water distribution system, and is proposing to extend water service to 20 potential water customers along Corridor H. The proposed project scope includes: 22,000 LF of 8-inch water main, 600 LF of 3/4-inch service tubing (open cut), 500 LF of 3/4-inch service tubing (bore & jack), 30 customer reconnections, 20 water meters and pits, a new 160,000 gallon water storage tank with foundation, telemetry system, water storage tank access road, 4-inch control valve station, 1,500 LF of 16-inch steel casing (bore & jack), 4 new tie-in connections, 15 fire hydrants, twenty (20) 8-inch gate valves, one (1) 6-inch gate valve, one (1) cut and cap existing 8-inch waterline, 1,500 LF of gravel restoration, 300 LF of asphalt restoration, 200 LF of concrete driveway restoration, 30 LF of concrete sidewalk restoration, cut and cap existing 8-inch water line, 19,000 LF of DOH inspection fee, 20,000 LF of ground restoration, and all necessary appurtenances. The estimated construction cost is \$4,500,000 (includes 10.09% construction contingency), and the estimated total project cost is \$5,700,000 (includes 3.90% project contingency).

Need: The PER indicates that LCEDA is proposing to extend water service along Corridor H to approximately 20 (existing and proposed) customers. Expanding water service will provide potable water service and fire protection to potential customers who currently rely on wells, cisterns, or hauled water.

Customer Density: Based upon the provided water main pipe quantities (22,000 LF), the proposed water line extensions total approximately 4.17 mile. This is approximately equivalent to 4.8 customers per mile which is marginal.

Cost per Customer: Based upon the estimated total project cost of \$5,700,000, and proposing to have 20 new customers, the cost to serve each new customer is \$285,000, which is considered high. However, the project is 100% grant and contribution funded; therefore, the proposed borrowing is \$0.

3. Project Feasibility: The project appears to be technically feasible and poses little technical risk.
4. Project Alternatives: The PER did evaluate 2 potential routes for the proposed waterline extension: Alt. #1 – Follow Existing Route, Alt. #2 – Bore Under US Route 33, and Alt. #3 – Do Nothing. Lewis County EDA selected Alt. 2.

5. Consolidation: There are no consolidation opportunities presented by this project.
6. Operation and Maintenance (O&M) Expenses: Supporting calculations or a detailed discussion of changes to O & M expenses were **not** included in the PER. (See financial review comments.)
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 \$850,000, which is equal to 18.89% of the construction cost of \$4,500,000 (includes 10.09% construction contingency).
8. Deficiencies/Comments:
  - Based upon a verbal conversation with the engineering firm, the PER incorrectly states that Alt 1 was selected. The engineering firm stated that Alt 2 is the “Selected Alternative”.
  - The PER states “...approximately fifty (50) customers (existing and proposed)..” in the Need for Project section, but the Flow Projections section utilized 20 residential customers for calculations. Additionally, the Application indicates 20 new customers. The customer count and flow projections need to be verified.
  - The cost to serve each new customer is \$285,000, which is considered high.
  - Neither the Application or PER includes documentation of community support (evidence of public meetings, written requests for water service, user sign-ups, etc.).



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## MEMORANDUM

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

FROM: Brian D. Bailey <sup>BB</sup>  
Technical Analyst  
General Permits & Support Team

DATE: April 2, 2024

SUBJECT: Infrastructure Preliminary Application for the Lewis County EDA (2024W-2524):  
Corridor H Waterline Ext. in Lewis County, WV.

We have reviewed the above referenced project application information. The Lewis County EDA purchases water from WV American Water. No NPDES permit modifications are necessary.

If the Lewis County EDA 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 Lewis County EDA 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 Lewis County EDA 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 March 9, 2019. 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: Kathryn Emery