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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:** Brad Sergent, Chair

**From:** Katheryn Emery, P.E., Program Manager  
Sewer Technical Review Committee

**Date:** May 21, 2026

**Subject:** Greater Paw Paw PSD  
IJDC Application - 2026S-2778  
Phase IV - Sewer System Improvements 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 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:

This project will rehabilitate the Daycare, Pharaohs Run, Fairview, Baxter, and Grant Town pump stations, including upgrading the electrical components, generators, and control panel structures, which have reached the end of their useful lives.

The proposed total cost for this project is \$1,000,000.00 and GPPSD intends to pursue a \$500,000 CWSRF Principal Forgiveness Loan and a \$500,000 IJDC Grant. The proposed monthly rate will be \$69.39 (1.58% MHI) for 3,400 gallons.

A variance for the total engineering fee will be required for this project.

Preliminary Project Ratings:

Public Health Benefits: 5  
Compliance with Standards: 5



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:** May 8, 2026

**SUBJECT:** Greater Paw Paw Public Service District  
IJDC Application- **2026S-2778**  
Sewer Line Upgrade and Replacement  
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 upgrading/repairs to five pumpstations.

The total project cost is **\$1,000,000.00**.

**Need for the Project:** The need for the project is to upgrade aging and failing pump stations which are resulting in ongoing operational and maintenance issues.

**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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dep.wv.gov

**MEMORANDUM**

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

**FROM:** Chantz Rankin, E.I., DWWM

**DATE:** May 12, 2026

**SUBJECT:** Greater Paw Paw PSD  
IJDC Application - 2026S-2778  
Phase IV - Sewer System Improvements Project

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**RECOMMENDATION**

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

**PROJECT DESCRIPTION**

The Greater Paw Paw Sanitary District (GPPSD) owns and operates a wastewater collection system that serves Fairview, Grant Town, Rivesville, Monumental, Baxter and Crown in Marion and Monongalia Counties, WV under NPDES Permit No. WV0084310. The PSD sends approximately 11,500,000 gallons per month of wastewater to the City of Fairmont for treatment. The PSD currently serves a total of 1,336 customers consisting of 1,269 residential, 54 commercial, 2 industrial and 11 public authority customers.

The project will include the rehabilitation of five (5) pump stations throughout the GPPSD's service area; including the Daycare Pump Station, Pharaohs Run Pump Station, Fairview Pump Station, Baxter BP Pump Station, and the Grant Town Pump Station. The rehabilitation will include upgrading all the electrical components, generators, and installation of new backboards to house the electrical components.

The proposed total cost for this project is \$1,000,000.00 and GPPSD intends to pursue a \$500,000 CWSRF Principal Forgiveness Loan and a \$500,000 IJDC Grant. The proposed monthly rate will be \$69.39 (1.58% MHI) for 3,400 gallons.

### **NEED FOR PROJECT**

GPPSD is currently in construction of the Phase III - Sanitary Sewer System Improvement projects. Originally the Phase III project included rehabilitating all 7 pump stations in the system. During the bidding process, the project received bids exceeding the available funding amounts, as a result multiple pump stations were removed from the project to remain within the budget.

The PER and the Facilities Plan from the Phase III project indicate the proposed project will make necessary repairs to pump stations that have reached the end of their life expectancy. This project should reduce potential sewer backups and discharges of partially treated and untreated wastewater into the GPPSDs service area. The project will also allow the GPPSD to properly maintain and monitor the entirety of their system to be proactive in addressing any future issues.

### **DEFICIENCIES/COMMENTS**

- Using the Combined Application, the Total Engineering Fees appear to be above the ASCE Curves.
- The PER will need to be developed into a facilities plan that meets CWSRF requirements if CWSRF is used.

#### 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



May 11, 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. 2026S-2778  
Greater Paw Paw PSD – Phase IV Sewer 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:** May 11, 2026

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

**PROJECT SUMMARY:** The Greater Paw Paw Sanitary District is proposing to pursue Phase IV of its Sewer System Improvements.

<b>PROPOSED FUNDING:</b> CWSRF Principal Forgiveness	\$ 500,000
IJDC Grant	<u>500,000</u>
Total	\$1,000,000

<b>CURRENT AND PROPOSED RATES:</b>	\$69.39	3,400 gallons
	\$81.64	4,000 gallons

Application No. 2026S-2778

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

**FINANCIAL:** William Nelson

1. Current rates (\$69.39 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 \$42,356, and \$102,994, respectively.
2. Using Scenario 1, the preferred funding package consisting of a CWSRF Principal Forgiveness Loan of \$500,000, and an IJDC Grant of \$500,000, proposed rates (\$69.39 for 3,400 gallons) will provide a cash flow surplus of \$57,845 and debt service coverage of 279.48%.
3. Using Scenario 2, alternate loan package of \$1,000,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates (\$74.26 for 3,400 gallons) will provide a cash flow surplus of \$64,659 and debt service coverage of 236.39%.

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 Cash Flow Statement submitted with the application.
- 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 current tariff on file with the Commission reflects Step 2 and Step 3 rates with Step 2 being current rates of \$69.39 for 3,400 gallons and Step 3 being rates of \$56.98 for 3,400 gallons effective upon the Fairmont arrearage being paid off. The District should closely monitor its financial situation and seek an adjustment in rates, if necessary.
- E. The Applicant's Max Rate Cash Flow reflects an incorrect debt service reserve adjustment at proforma. The amount shown of \$58,835 is the proposed annual debt service payment on the max loan while the debt service reserve should be equal to 10% of the annual debt service payment or \$5,884. With this adjustment the Applicant's Max Rate Cash Flow reflects an increased surplus as shown in Staff's 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 Paw Paw Sanitary District is proposing to pursue Phase IV of its Sanitary Sewer System Improvements, which includes upgrading all electrical components, generators, and panel boards at its Daycare, Pharaohs Run, Fairview, Baxter BP, and Grant Town pump stations. In addition to the upgrades proposed at the selected 5 pump stations, the cost estimate includes: mobilization, demobilization, project area videotaping, erosion and sediment controls, temporary bypass pumping, and reclamation of disturbed areas. The estimated construction cost is \$690,000 (includes 15% construction contingency), and the estimated total project cost is \$1,000,000 (includes 2.14% project contingency).

Need: The PER indicates that the proposed improvements at the aforementioned 5 pump stations were previously included in the scope of the Phase III Sewer Systems Improvements project, but were removed due to receiving construction bids that exceeded the engineer's prior construction estimate (Bid Overrun), and the lack of available project funding.

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 \$1,000,000, and having approximately 1336 customers, the cost per customer will be approximately \$749. However, the cost per customer in terms of proposed borrowing is \$0, as the proposed funding is 100% grant.

3. Project Alternatives: The PER did identify 2 Alternatives: Alternative No. 1 – Rehabilitation of Pump Stations, and Alternative No. 2 – “Do Nothing”. However, the PER states that a “Do-Nothing” option would not address the current issues at the pump stations, and the proposed improvements are necessary for Greater Paw Paw to provide continued and reliable operation of its collection system.
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 O&M expenses. The PER indicates that "...there should be no anticipated change in the operation and maintenance cost...".
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 \$240,000, which is equal to 34.78% of the construction cost of \$690,000 (includes 15.0% construction contingency).
7. Deficiencies/Comments:
  - Bid Results (bids received November 2025) for the Phase III project (2023S-2367) were reviewed, which indicates the scope of work associated with the 5 selected pump stations averaged a total cost of \$527,000 between the 2 bidders. The PER filed with this application has estimated the total cost for the pump station work at \$460,000, which is \$67,000 less than the average total cost from the previous bids, and \$67,000 less than the lowest bidder's amounts.

GREATER PAW PAW PUBLIC SERVICE DISTRICT - SEWER  
 CASH FLOW ANALYSIS  
 YEAR ENDED: June 30, 2025  
 APPLICATION NO: 2026S-2778  
 May 11, 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
	\$	\$	\$	\$
<b>AVAILABLE CASH</b>				
Operating Revenues	976,898	976,898	-	976,898
Other Operating Revenue	27,958	27,958	-	27,958
SB 234 Annual Working Cash Collections	78,441	78,441	-	78,441
Interest Income & Other Misc.	23,771	23,771	-	23,771
<b>Total Cash Available</b>	<b>1,107,068</b>	<b>1,107,068</b>	<b>-</b>	<b>1,107,068</b>
<b>OPERATING DEDUCTIONS</b>				
Operating Expenses	652,679	658,552	-	658,552
Taxes	18,738	18,738	-	18,738
<b>Total Cash Requirements Before Debt Service</b>	<b>671,417</b>	<b>677,290</b>	<b>-</b>	<b>677,290</b>
Cash Available for Debt Service (A)	435,651	429,778	-	429,778
<b>DEBT SERVICE REQUIREMENTS</b>				
Principal & Interest (B)	295,428	153,775	-	153,775
Other Debt	103,141	103,141	-	103,141
Reserve Account @ 10%	11,455	11,455	-	11,455
Renewal & Replacement Fund (2.5%)	27,007	27,007	(1,886) (1)	25,121
<b>Total Debt Service Requirement</b>	<b>437,031</b>	<b>295,378</b>	<b>(1,886)</b>	<b>293,492</b>
SB 234 Cash Working Capital	78,441	78,441	-	78,441
<b>Remaining Cash</b>	<b>(79,821)</b>	<b>55,959</b>	<b>1,886</b>	<b>57,845</b>
Percent Coverage (A) / (B)	147.46%	279.48%		279.48%
Average rate for 3,400 gallons	\$ 69.39	\$ 69.39	\$ -	\$ 69.39
Average rate for 4,000 gallons	\$ 81.64	\$ 81.64	\$ -	\$ 81.64

GREATER PAW PAW PUBLIC SERVICE DISTRICT - SEWER  
 CASH FLOW ANALYSIS  
 YEAR ENDED: June 30, 2025  
 APPLICATION NO: 2026S-2778

Attachment A  
 PREFERRED FUNDING PACKAGE  
 SCENARIO 1

Staff Adjustments

<u>Adjustment Description</u>			Increase <Decrease>
		\$	
(1)	Renewal & Replacement Fund (2.5%)	25,121	(1,886)
		Per Staff Analysis	
		Per Application with Project	
		27,007	

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

GREATER PAW PAW PUBLIC SERVICE DISTRICT - SEWER  
 CASH FLOW ANALYSIS  
 YEAR ENDED: June 30, 2025  
 APPLICATION NO: 2026S-2778  
 May 11, 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
	\$	\$	\$	\$
<b>AVAILABLE CASH</b>				
Operating Revenues	976,898	1,050,772	-	1,050,772
Other Operating Revenue	27,958	27,958	-	27,958
SB 234 Annual Working Cash Collections	78,441	78,441	-	78,441
Interest Income & Other Misc.	23,771	23,771	-	23,771
<b>Total Cash Available</b>	<b>1,107,068</b>	<b>1,180,942</b>	<b>-</b>	<b>1,180,942</b>
<b>OPERATING DEDUCTIONS</b>				
Operating Expenses	652,679	658,552	-	658,552
Taxes	18,738	18,738	-	18,738
<b>Total Cash Requirements Before Debt Service</b>	<b>671,417</b>	<b>677,290</b>	<b>-</b>	<b>677,290</b>
Cash Available for Debt Service (A)	435,651	503,652	-	503,652
<b>DEBT SERVICE REQUIREMENTS</b>				
Principal & Interest (B)	295,428	212,610	449 (1)	213,059
Other Debt	103,141	103,141	-	103,141
Reserve Account @ 10%	11,455	70,290	(52,907) (2)	17,383
Renewal & Replacement Fund (2.5%)	27,007	28,854	(1,886) (3)	26,968
<b>Total Debt Service Requirement</b>	<b>437,031</b>	<b>414,895</b>	<b>(54,343)</b>	<b>360,552</b>
SB 234 Cash Working Capital	78,441	78,441	-	78,441
<b>Remaining Cash</b>	<b>(79,821)</b>	<b>10,316</b>	<b>54,343</b>	<b>64,659</b>
Percent Coverage (A) / (B)	147.46%	236.89%		236.39%
Average rate for 3,400 gallons	\$ 69.39	\$ 74.26	\$ -	\$ 74.26
Average rate for 4,000 gallons	\$ 81.64	\$ 87.37	\$ -	\$ 87.37

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	<b>Principal &amp; Interest</b>	<b>Per Staff Analysis</b>	<b>213,059</b>	<b>449</b>
		<b>Per Application with Project</b>	<b>212,610</b>	
The difference in P&I is related to Staff's calculation of a loan of \$1,000,000 for 40 years (paid over 38 years) at 5%.				
(2)	<b>Reserve Account @ 10%</b>	<b>Per Staff Analysis</b>	<b>17,383</b>	<b>(52,907)</b>
		<b>Per Application with Project</b>	<b>70,290</b>	
Staff assumed a 10% reserve on the new debt.				
(3)	<b>Renewal &amp; Replacement Fund (2.5%)</b>	<b>Per Staff Analysis</b>	<b>26,968</b>	<b>(1,886)</b>
		<b>Per Application with Project</b>	<b>28,854</b>	
Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.				