



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

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

Date: May 21, 2026

Subject: City of Mullens Sanitary Board
IJDC Application - 2025S-2735
Sewer System Improvements and Extensions (Phase I)

-
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 Phase I project consists of upgrades at the WWTP. The WWTP has exceeded its useful life and the upgrades in Phase I are necessary to address Consent Order 8715 and the ensuing civil suit filed by WVDEP.

The proposed total cost for this project is \$7,320,000 and City intends to utilize \$160,000 in ARPA funds from the Wyoming County Commission and pursue a \$560,000 CWSRF Design Loan (2% for 28 years), a \$1,500,000 CWSRF Principal Forgiveness Loan, a \$4,600,000 CWSRF Loan (2% for 28 years), and a \$500,000 IJDC grant. The proposed project rate is \$66.35 (1.57% MHI)

A variance will be needed for the total engineering fees.

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: Mullens Sanitary Board
IJDC Application- **2025S-2735**
Sewer Plant Upgrade
Wyoming County

Recommendation: We have reviewed this preliminary application and recommend that it be forwarded to the Funding Committee for review.

Project Scope: According to the PER, the exact scope cannot be determined until additional studies are completed by the Engineer.

The total project cost is **\$6,800,000.00**.

Need for the Project: The need for the project is to address Consent Order 8715 issued by the WVDEP for failure to meet effluent limit or to properly operate and maintain the system.

Concerns: No concerns were noted.

Permits: Permits and/or agency consultations that may be expected to be required include: WVDH, WVDEP, and WVDOH.





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Harold D. Ward, Cabinet Secretary
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MEMORANDUM

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

FROM: Daniel Bailey, E.I., CFM, DWWM

DATE: May 11, 2026

SUBJECT: City of Mullens Sanitary Board
IJDC Application - 2025S-2735
Sewer System Improvements and Extensions (Phase I)

RECOMMENDATION

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

PROJECT DESCRIPTION

The City of Mullens (City) owns and operates a combined sanitary and storm sewage collection and treatment system serving approximately 700 customers in Wyoming County, WV, under NPDES Permit No. WV0020681. The City's system consists of a 0.33 million gallons per day (MGD) average daily flow (ADF) sequencing batch reactor (SBR) wastewater treatment plant (WWTP) and three (3) CSOs that discharge to the Guyandotte River. This project is the first phase of the City's plan to upgrade the WWTP, make improvements to the existing collection system, including its pump stations and CSOs, and extend service to surrounding communities.

The proposed Phase I project consists of upgrades at the WWTP, including the replacement of the headworks, SBR controls, blowers, sludge pumps, diffusers, decanter drives, MCC, UV equipment, flowmeter, and generator; installation of a SCADA system for the WWTP and pump stations and a decanter for the digester; refurbishment of SBR and digester basins, the belt filter press and lime unit, and the control building; and the purchase of a dump truck, small excavator, sewer jetter, and sewer vacuum.

The proposed total cost for this project is \$7,320,000 and City intends to utilize \$160,000 in ARPA funds from the Wyoming County Commission and pursue a \$560,000 CWSRF Design Loan (2% for 28 years), a \$1,500,000 CWSRF Principal Forgiveness Loan, a \$4,600,000 CWSRF Loan (2% for 28 years), and a \$500,000 IJDC grant. The current monthly rate for 3,400 gallons is \$30.31 (0.72% MHI) with a going level increase of \$26.88 and project rate increase of \$9.16 resulting in a rate of \$66.35 (1.57% MHI).

NEED FOR PROJECT

This project is in response to ongoing noncompliance issues the City is facing within its system. In 2018, the City was issued Consent Order 8715 by the WVDEP for failure to meet effluent limits or to properly operate and maintain the facility, including the failure to waste any sludge since 2012. In 2022, the WVDEP filed a civil suit to compel the City to comply with its permit, as additional violations have occurred after the issuance of the Order. Future phases will address the combined collection system and incorporate measures to ensure compliance with the City's Long Term Control Plan. Current discharges of untreated or partially treated wastewater to Slab Fork and the Guyandotte River are creating a public health hazard and degrading water quality.

The mechanical and electrical equipment included in Phase I have exceeded their useful lives. Additional equipment failures would result in discharges of untreated or partially treated wastewater to the Guyandotte River.

DEFICIENCIES/COMMENTS

- Discrepancies exist between the PER and the Application regarding the proposed rate. The proposed project may not be eligible for principal forgiveness depending on the actual proposed rate.
- Using the Combined Application, the Design fees appear to be within the ASCE curve, however the Total Engineering fees appear to be above the ASCE curve. This will require a waiver to be completed for Total Engineering fees.
- The PER will need to be developed into a Facilities Plan if approved for CWSRF funding.

Preliminary Project Ratings:

Public Health Benefits: 15
Compliance with Standards: 20

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 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. 2025S-2735

Mullens, City of – Sewer System Improvements (Phase I – WWTP)
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 13, 2026

PROJECT SPONSOR: CITY OF MULLENS SANITARY BOARD

PROJECT SUMMARY: The City of Mullens is proposing to pursue its Phase I Sewer System Improvements project, which includes rehabilitating, upgrading, and making improvements to its the Wastewater Treatment Plant.

| | |
|--|--------------------|
| PROPOSED FUNDING: Wyoming County Commission Grant | \$ 160,000 |
| IJDC Grant | \$ 500,000 |
| CWSRF Principal Forgiveness | \$1,500,000 |
| CWSRF Des. Ln.(1.75%, .25% AF, 30 yrs.) | \$ 560,000 |
| CWSRF Loan (1.75%, .25% AF, 30 yrs.) | \$1,100,000 |
| CWSRF Wrap Ln.(1.75%, .25% AF, 30 yrs.) | <u>\$3,500,000</u> |
| Total | <u>\$7,320,000</u> |

| | | |
|-----------------------|---------|---------------|
| CURRENT RATES: | \$42.03 | 3,400 gallons |
| | \$48.79 | 4,000 gallons |

| | | |
|------------------------|---------|---------------|
| PROPOSED RATES: | \$66.35 | 3,400 gallons |
| | \$77.00 | 4,000 gallons |

Application No. 2025S-2735

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

FINANCIAL: William Nelson

1. Current rates (\$42.03 for 3,400 gallons) are below the rates attributable to 1.25% (\$52.80), 1.5% (\$63.36), 1.75% (\$73.92) and 2.0% (\$84.48) 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 \$141,626, \$280,491, \$419,356, and \$558,220 respectively.

2. Using Scenario 1, the preferred funding package consisting of a Wyoming County Commission Grant of \$160,000, an IJDC Grant of \$500,000, a CWSRF Principal Forgiveness Loan of \$1,500,000, a CWSRF Design Loan of \$560,000 at 1.75%, .25% Admin. Fee for 30 years, a second CWSRF Loan of \$1,100,000 at 1.75%, .25% Admin. Fee for 30 years, and a CWSRF Wrap Loan of \$3,500,000 at 1.75%, .25% Admin. Fee for 30 years, proposed rates (\$66.35 for 3,400 gallons) will provide a cash flow surplus of \$16,616 and debt service coverage of 138.42%.
3. Using the Scenario 2 alternate loan package of \$7,160,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), and committed funds consisting of a Wyoming County Commission Grant of \$160,000, proposed rates (\$108.66 for 3,400 gallons) will provide a cash flow surplus of \$642 and debt service coverage of 117.12%.
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 notes the Applicant's cash flow analyses include going level rates of \$57.19 (3,400 gallons). The City adopted these rates by ordinance and they are to become effective July 1, 2026. Staff included these rates in its analyses.
 - D. Staff notes the Applicant's project funding includes three CWSRF Loans with terms of 1.75% interest with a .25% Administrative Fee for a term of 28 years. Staff used an amortization term of 30 years as shown on the CWSRF Funding Eligibility Guidelines in its analyses.
 - E. Staff notes the Project Accountant incorrectly listed on the Preliminary Application (Financial Status and Rates), the current rates of \$30.31 (3,400 gallons). Based on the City's current tariff the correct current rates, which were recently adopted, are \$42.03 (3,400 gallons) and became effective January 25, 2026.

- 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 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.
- G. Senate Bill 234 (2015) required, pursuant to WV Code 24-2-4b (b), that municipally operated utilities shall consider a reasonable plant-in-service depreciation expense for rates and charges. The project sponsor should take this into consideration when preparing its Rule 42. Municipals that do not provide for a reasonable depreciation expense risk delays in Certificate of Convenience and Necessity filings if rates are determined to not be sufficient.
- H. The City of Mullens should carefully evaluate its revenue requirements before passing a rate ordinance in order to ensure that rates are sufficient to provide a reasonable surplus and meet coverage requirements. Calculations to support the revenue projections should also be provided.

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 City of Mullens is proposing to pursue its Phase I – Sewer System Improvements, which includes rehabilitating, upgrading, and making improvements to its the Wastewater Treatment Plant (WWTP). The project scope includes: mobilization, demobilization, project area videotaping, erosion and sediment controls, SBR controls, SCADA at Lift Stations and WWTP, 3 blowers, electrical upgrades, belt press renovations, effluent flow meter, mechanical upgrades, 2 sludge pumps, decanter and controls, aeration system improvements, 3 yard hydrants, grit removal equipment, mechanical filter screen, dosing tank valve replacement, EQ Basin replacement, UV System replacement, grinder pump lift station improvements, control building improvements, excavator (with trailer), skid steer loader, jetter trailer, sewer vacuum trailer, dump truck, and reclamation

of disturbed areas. The estimated construction cost is \$5,050,000 (includes 14.62% construction contingency), and the estimated total project cost is \$7,320,000 (includes 2.48% project contingency).

Need: The PER states that “All of the mechanical and electrical equipment at the treatment plant and in the pumping station have exceeded its useful life, and virtually all of it has failed or is failing.”, and “All of the that equipment must be replaced or rebuilt in order to ensure long term permit compliance and to prevent the bypassing of untreated sewage.” The DEP has filed a civil complaint against the City in the Wyoming County Circuit Court (Case No. CC-55-2022-C-8) which includes the following allegations: (WWTP is, and has been, in a state of near total disrepair), screen and grit unit not function for several years, non-functional SBR controls and blowers, diffuser membranes ripped and in need of replacement, no sludge had been waster for years (sludge went to Guyandotte River instead of removed), failure to update and submit Combined Sewer Overflow – Long Term Control Plan (CSO-LTCP), pumping stations in poor mechanical condition with a history of failure, and the City’s failure to respond to DEP orders and Notices of Violation (NOVs).

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 \$11,300,000, and having approximately 591 customers, the cost per customer will be approximately \$19,121. However, the cost per customer in terms of proposed borrowing is \$8,461, as the proposed funding is approximately 55.8% grant.

3. Project Alternatives: The PER did identify 3 Alternatives: Alternative No. 1 – Complete Facility Upgrade, Alternative No. 2 – Limited Facility Upgrade, and Alternative No. 3 – “Do Nothing”. The PER states that Alternative No. 1 was selected as it “...is the most implementable and effective alternative...” and “...will also provide Montgomery with the most reliable and resilient treatment system.”
4. Consolidation: Although the PER provided a limited discussion of “Consolidation with Other Utilities”, it appears that this consideration was limited to only transferring the current customers flows to a nearby WWTP (consolidating physical facilities), and did not evaluate the Mullens sewer system being operated and maintained, or acquired, by a nearby utility. As

Mullens has already been reliant on an Operator from Center PSD, it appears there may be an indication of need to consolidate these numerous rural utilities for a sustainable future. Furthermore, considering future extensions of the Mullens sewer system beyond its municipal boundary, increasing treatment flows, and its history of non-compliance and deferred maintenance, the option of consolidation appears reasonable to provide reliable sewer service while meeting state and federal regulations.

5. Operation and Maintenance (O&M) Expenses: The PER states “Due to the lack of reliable accounting information over the past 12 years, an accurate estimate of the annual O&M expenses cannot be made at this time.” The PER does indicate that an increase in annual O&M expenses will result following completion of the proposed upgrades and improvements; however, a detailed breakdown of the increase was not included.
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 \$1,635,000, which is equal to 32.38% of the construction cost of \$5,050,000 (includes 14.62 % construction contingency). *This Application is requesting, and includes, \$250,000 for Phase II Engineering Design Fees. Although the provided PER includes a discussion of up to 4 separate Phases, there has not been an Application filed at IJDC for the Phase II project. The provided 5G documentation is from 2010 and does not reference WWTP improvements or upgrades, but does reference sewer extensions to “...areas of Blackeagle, Corinne, Beechwood, Allen Junction, Wyco, Iroquois and Stephenson.”; however, Phase I (this Application) does not include any sewer extension to any new customers.*
7. Deficiencies/Comments:
 - This Application is requesting \$250,000 for Phase II Engineering Design Fees. *Although the provided PER includes a discussion of up to 4 separate Phases, there has not been an Application filed at IJDC for the Phase II project.*
 - The proposed scope of work for this project is Phase I, which does not include making improvements or upgrades to the existing pump stations. Based upon the PER, it is understood that the DEP’s Circuit Court Case includes citation indicating pump stations are in poor mechanical condition with a history of failure. The proposed Phase I scope does not address these issues, which are identified as being part of a proposed Phase II project.

- The PER does not include an evaluation of the anticipated changes to annual O&M expenses.
- The proposed project requests \$525,000 to purchase ancillary equipment (excavator, trailer, skid steer loader, dump truck, jetter trailer, and vacuum trailer).
- The PER indicates that Center PSD's Class II Operator has been assisting the Operator-in-Training (OIT) at Mullens to achieve his hours for a Class I Operator license.
- The Mullens Sanitary Board was identified (pursuant WV Code §24-2H-4) and added to the PSC Watch List published October 24, 2025 for "...failure to timely file PSC Annual Reports, last ordinance to increase rates in 2012, and whether Cash Working Capital Reserve is being adequately funded." The City has since filed a copy of its new rates on March 5, 2026, which were adopted by the City Council on December 11, 2025.

CITY OF MULLENS SANITARY BOARD
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO. 2025S-2735
 May 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 | 489,243 | 569,072 | (33,071) (1) | 536,001 |
| Other Operating Revenue | 6,571 | 6,571 | - | 6,571 |
| SB 234 Annual Working Cash Collections | - | - | 33,071 (2) | 33,071 |
| Interest Income & Other Misc. | 9,469 | 9,469 | - | 9,469 |
| Total Cash Available | 505,283 | 585,112 | - | 585,112 |
| OPERATING DEDUCTIONS | | | | |
| Operating Expenses | 189,568 | 271,343 | (33) (3) | 271,310 |
| Taxes | 5,746 | 5,746 | - | 5,746 |
| Total Cash Requirements Before Debt Service | 195,314 | 277,089 | (33) | 277,056 |
| Cash Available for Debt Service (A) | 309,969 | 308,023 | 33 | 308,056 |
| DEBT SERVICE REQUIREMENTS | | | | |
| Principal & Interest (B) | 152,136 | 236,247 | (13,697) (4) | 222,550 |
| Other Debt | - | - | - | - |
| Reserve Account @ 10% | - | 23,625 | (1,370) (5) | 22,255 |
| Renewal & Replacement Fund (2.5%) | 12,632 | 14,628 | (1,064) (6) | 13,564 |
| Total Debt Service Requirement | 164,768 | 274,500 | (16,132) | 258,369 |
| SB 234 Cash Working Capital | 23,696 | 33,071 | - | 33,071 |
| Remaining Cash | 121,505 | 452 | 16,165 | 16,616 |
| Percent Coverage (A) / (B) | 203.74% | 130.38% | | 138.42% |
| Average rate for 3,400 gallons | \$ 57.19 | \$ 66.35 | \$ - | \$ 66.35 |
| Average rate for 4,000 gallons | \$ 66.38 | \$ 77.00 | \$ - | \$ 77.00 |

Staff Adjustments

| <u>Adjustment Description</u> | | | \$ | Increase <Decrease> |
|-------------------------------|---|------------------------------|---------|------------------------|
| (1) | Operating Revenues | Per Staff Analysis | 536,001 | (33,071) |
| | | Per Application with Project | 569,072 | |
| | Adjust revenues in accordance with PSC General Order 183.11. | | | |
| (2) | SB 234 Annual Working Cash Collections | Per Staff Analysis | 33,071 | 33,071 |
| | | Per Application with Project | - | |
| | Account for SB 234 (2015) funding pursuant to PSC General Order 183.11. | | | |
| (3) | Operating Expenses | Per Staff Analysis | 271,310 | (33) |
| | | Per Application with Project | 271,343 | |
| | Staff's calculation included a difference in an Administrative Fee associated with the CWSRF loans. | | | |
| (4) | Principal & Interest | Per Staff Analysis | 222,550 | (13,697) |
| | | Per Application with Project | 236,247 | |
| | The difference in P&I is related to Staff's calculation of loans of \$560,000, \$1,100,000 and \$3,500,000 for 30 years at 1.75%. | | | |
| (5) | Reserve Account @ 10% | Per Staff Analysis | 22,255 | (1,370) |
| | | Per Application with Project | 23,625 | |
| | Staff assumed a 10% reserve on the new debt. | | | |
| (6) | Renewal & Replacement Fund (2.5%) | Per Staff Analysis | 13,564 | (1,064) |
| | | Per Application with Project | 14,628 | |
| | Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund. | | | |

CITY OF MULLENS SANITARY BOARD
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO. 2025S-2735
 May 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 | 489,243 | 929,623 | (33,071) (1) | 896,552 |
| Other Operating Revenue | 6,571 | 6,571 | - | 6,571 |
| SB 234 Annual Working Cash Collections | - | - | 33,071 (2) | 33,071 |
| Interest Income & Other Misc. | 9,469 | 9,469 | - | 9,469 |
| Total Cash Available | 505,283 | 945,663 | - | 945,663 |
| OPERATING DEDUCTIONS | | | | |
| Operating Expenses | 189,568 | 264,568 | - | 264,568 |
| Taxes | 5,746 | 5,746 | - | 5,746 |
| Total Cash Requirements Before Debt Service | 195,314 | 270,314 | - | 270,314 |
| Cash Available for Debt Service (A) | 309,969 | 675,349 | - | 675,349 |
| DEBT SERVICE REQUIREMENTS | | | | |
| Principal & Interest (B) | 152,136 | 566,439 | 10,172 (3) | 576,611 |
| Other Debt | - | - | - | - |
| Reserve Account @ 10% | - | 41,430 | 1,018 (4) | 42,448 |
| Renewal & Replacement Fund (2.5%) | 12,632 | 23,642 | (1,064) (5) | 22,578 |
| Total Debt Service Requirement | 164,768 | 631,511 | 10,126 | 641,637 |
| SB 234 Cash Working Capital | 23,696 | 33,071 | - | 33,071 |
| Remaining Cash | 121,505 | 10,767 | (10,126) | 642 |
| Percent Coverage (A) / (B) | 203.74% | 119.23% | | 117.12% |
| Average rate for 3,400 gallons | \$ 57.19 | \$ 108.66 | \$ - | \$ 108.66 |
| Average rate for 4,000 gallons | \$ 66.38 | \$ 126.12 | \$ - | \$ 126.12 |

Staff Adjustments

| <u>Adjustment Description</u> | | | \$ | Increase <Decrease> |
|-------------------------------|--|-------------------------------------|----------------|------------------------|
| (1) | Operating Revenues | Per Staff Analysis | 896,552 | (33,071) |
| | | Per Application with Project | 929,623 | |
| | Adjust revenues in accordance with PSC General Order 183.11. | | | |
| (2) | SB 234 Annual Working Cash Collections | Per Staff Analysis | 33,071 | 33,071 |
| | | Per Application with Project | - | |
| | Account for SB 234 (2015) funding pursuant to PSC General Order 183.11. | | | |
| (3) | Principal & Interest | Per Staff Analysis | 576,611 | 10,172 |
| | | Per Application with Project | 566,439 | |
| | The difference in P&I is related to Staff's calculation of a loan of \$7,160,000 for 40 years (paid back over 38 years) at 5%. | | | |
| (4) | Reserve Account @ 10% | Per Staff Analysis | 42,448 | 1,018 |
| | | Per Application with Project | 41,430 | |
| | Staff assumed a 10% reserve on the new debt. | | | |
| (5) | Renewal & Replacement Fund (2.5%) | Per Staff Analysis | 22,578 | (1,064) |
| | | Per Application with Project | 23,642 | |
| | Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund. | | | |