



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: May 21, 2026

Subject: City of St. Albans
IJDC Application - 2026W-2779
Water Treatment Facility Upgrades

-
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 consists of exploratory excavation to identify and document service line materials of construction on both public and private sides of water meters. This information will allow MUC to complete their lead service line inventory and develop a plan to replace any lead service lines or galvanized lines that may have been downstream of lead.

The total estimated cost for this project is \$7,609,000. The City of St. Albans will pursue a funding scenario of a \$3,728,410 DWTRF Lead Service Line Program Principle Forgiveness Loan and a \$3,880,590 DWTRF Lead Service Line Program Loan (0% interest, 0.25% Admin Fee, 30 years). The proposed monthly rate for 3,400 gallons is \$64.17 (1.51% MHI).

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: Spencer Fultineer, DWWM

DATE: May 12, 2026

SUBJECT: City of St. Albans
Water Treatment Facility Upgrades
IJDC No. 2026W-2779

RECOMMENDATION

The IJDC application and Preliminary Engineering Report (PER) prepared by Chapman Technical Group for the above referenced project have been reviewed and are technically feasible.

PROJECT DESCRIPTION

The City of St. Albans owns and operates a water treatment plant (WTP) and a distribution system under PWSID #3302031 and maintains registration under NPDES General Permit No. WV0115754. The treatment system treated and pumped 473,098,000 gallons in 2025. The distribution system has a storage capacity of 2,595,000 gallons. The Municipal Utility Commission (MUC) for the City of St. Albans serves approximately 6,011 customers. Out of these customers approximately 5,700 customers (87%) have service lines classified as unknown regarding lead. So far the MUC has been able to identify approximately 13% of their service lines. No lead service lines have been identified in the system as of this application.

This project consists of exploratory excavation to identify and document service line materials on both public and private sides of water meters. This information will allow MUC to complete their lead service line inventory and develop a plan to replace any lead service lines or galvanized lines that may have been downstream of lead.

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The proposed cost for this project is \$7,609,000. The City of St. Albans will pursue a funding scenario of a \$3,728,410 DWTRF Lead Service Line Program Principle Forgiveness Loan and a \$3,880,590 DWTRF Lead Service Line Program Loan (0% interest, 0.25% Admin Fee, 30 years). The proposed monthly rate for 3,400 gallons is \$64.17 (1.51% MHI).

NEED FOR PROJECT

The City of St. Albans has approximately 87% of their service lines still classified as unknown for lead. In accordance with the US Environmental Protection Agency's (US EPA) Revised Lead and Copper Rule, the MUC developed and submitted an initial service line inventory. The initial inventory includes 5,632 customers classified as unknown and 60 customers classified as Galvanized Requiring Replacement. Most of the customers classified as Galvanized Requiring Replacement have identified the service line on the private side of the meter but not the public side. It is anticipated that both sides of the service line will need to be visually identified for US EPA compliance. The US EPA's current Lead and Copper Improvements Rule requires replacement of all service lines made of lead or galvanized steel that may have been downstream of lead by 2037. The MUC's efforts to identify service line materials have primarily consisted of reviewing record drawings and sending out customer surveys. This method has resulted in most customers never returning the surveys or being unable to provide any information on their service line material. Assistance of an outside contractor is necessary to complete the inventory and replacements by the deadline.

DEFICIENCIES/COMMENTS

- Using the Combined Application, the Design and Total Engineering Fees appear to be within the ASCE Design Fee Curve.

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 8, 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-2779
St. Albans, City of – Service Line Exploration
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 8, 2026

PROJECT SPONSOR: CITY OF ST. ALBANS – (WATER)

PROJECT SUMMARY: The City of St. Albans (St. Albans Municipal Utility Commission) is proposing to perform exploratory excavations to verify pipe materials used and determine if service line replacements are required.

PROPOSED FUNDING: DWTRF Lead SL Loan
(0%, .25% AF, 30 yrs.) \$3,880,590
DWTRF Principal Forgiveness 3,728,410
Total \$7,609,000

CURRENT RATES: \$55.50 3,400 gallons
\$63.00 4,000 gallons

PROPOSED RATES: \$64.17 3,400 gallons
\$72.84 4,000 gallons

Application No. 2026W-2779

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

FINANCIAL: William Nelson

1. Current rates (\$55.50 for 3,400 gallons) are above the rate attributable to 1.25% (\$53.09) of the Median Household Income (MHI), but below the rates attributable to 1.5% (\$63.71), 1.75% (\$74.33) and 2.0% (\$84.95) of the MHI. Increasing current rates to 1.5%, 1.75% and 2.0% of the MHI would provide additional revenues of \$616,821, \$1,414,476 and \$2,212,131 respectively.
2. Using Scenario 1, the preferred funding package consisting of a DWTRF Lead SL Loan of \$3,880,590 at 0%, with .25% Admin. Fee, for 30 years and a DWTRF Principal Forgiveness Loan of \$3,728,410, proposed rates (\$64.17 for 3,400 gallons) will provide a cash flow surplus of \$42,200 and debt service coverage of 141.20%.

3. Using the Scenario 2 alternate loan package of \$7,609,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates (\$69.44 for 3,400 gallons) will provide a cash flow surplus of \$67,312 and debt service coverage of 137.44%.

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 Applicants filing includes the impact of prior, pending and current projects to be undertaken. The project which is the subject of this review is identified as the LSL Project which is the last of three projects reflected on the cash flow. The applicable Cash Flow Analysis reflects increased rates for each project phase, with the Applicant's preferred rates for this project being \$64.17 for 3,400 gallons. Staff analysis takes into consideration the impact of all three projects and the preferred rates of \$64.17 for 3,400 gallons.
- D. It should be noted that the project sponsor's cash flow analysis reflects debt service of \$102,121 (annually) associated with a proposed LSL Loan of \$3,880,590 (0%, .25% AF, 38 yrs.). Based on the proposed rates (\$64.17 for 3,400 gallons) the terms should be 0%, .25% AF, for 30 yrs.). Staff adjusted its analysis to reflect these terms.
- 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.

F. The City of St. Albans 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. Staff notes that the City is a political subdivision of the state and it has at least 4,500 customers and annual gross revenues of \$3 million or more. Therefore, in accordance with Senate Bill 234, effective June 12, 2015, the Commission has no jurisdiction regarding the City's rates pursuant to WV Code 24-2-4b. However, the Commission does have jurisdiction pursuant to WV Code 24-2-1 (b)(6) for the investigation and resolution of disputes involving political subdivisions of the state regarding inter-utility agreements, rates, fees and charges, service areas and contested utility combinations.

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 St. Albans (St. Albans Municipal Utility Commission) is proposing to perform exploratory excavations to verify pipe materials used and determine if service line replacements are required. The estimated construction cost is \$6,270,000 (includes 10.0% construction contingency), and the estimated total project cost is \$7,609,000 (includes 5.21% project contingency).

Need: The US EPA has revised its Lead and Copper Rule and St. Albans has developed an initial service line inventory based primarily upon reviewing record drawings, and follow-up customer surveys. The PER indicates that most customers did not return the surveys or the customers were unable to provide information on the service line material. The PER states that the identification of service line materials on both the private and public sides of the service line will be necessary to document EPA compliance for approximately 5700 customers.

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 \$7,609,000, and having approximately 6015 customers, the cost per customer will be approximately \$1,265. The cost per customer in terms of proposed borrowing is \$646, as the proposed funding is 49% grant.

3. Project Alternatives: The PER did not include an evaluation of alternatives. However, a do-nothing option would not allow St. Albans MUC to verify existing service line materials for the entirety of its water system.
4. Consolidation: There are no consolidation opportunities presented by this project.
5. Operation and Maintenance (O&M) Expenses: The PER did not include a breakdown or discussion of changes to O&M expenses. Due to this project scope not including any rehabilitation, repairs, or replacements, the scope of work will have no affect annual O&M expenses.
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 \$988,000, which is equal to 15.76% of the construction cost of \$6,270,000 (includes 10% construction contingency).
7. Deficiencies/Comments:
 - This project does not propose the installation, rehabilitation, repairs, or replacement of any assets.

CITY OF ST. ALBANS - WATER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO: 2026W-2779
 May 8, 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
	\$	\$	\$	\$
<u>AVAILABLE CASH</u>				
Operating Revenues	4,168,840	4,679,124	(376,231) (1)	4,302,893
Other Operating Revenue	102,814	102,814	-	102,814
SB 234 Annual Working Cash Collections			376,231 (2)	376,231
Interest Income & Other Misc.	353,374	353,374	-	353,374
Total Cash Available	4,625,028	5,135,312	-	5,135,312
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	3,004,910	3,009,848	133 (3)	3,009,981
Taxes	89,844	89,844	-	89,844
Total Cash Requirements Before Debt Service	3,094,754	3,099,692	133	3,099,825
Cash Available for Debt Servi (A)	1,530,274	2,035,620	(133)	2,035,487
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	788,438	1,414,366	27,232 (4)	1,441,598
Other Debt	-	-	-	-
Reserve Account @ 10%	-	62,592	2,723 (5)	65,315
Renewal & Replacement Fund (2.5%)	115,626	128,383	(18,240) (6)	110,143
Total Debt Service Requirement	904,064	1,605,341	11,715	1,617,056
SB 234 Cash Working Capital	375,614	376,231	-	376,231
Remaining Cash	250,596	54,048	(11,848)	42,200
Percent Coverage (A) / (B)	194.09%	143.92%		141.20%
Average rate for 3,400 gallons	\$ 55.50	\$ 64.17	\$ -	\$ 64.17
Average rate for 4,000 gallons	\$ 63.00	\$ 72.84	\$ -	\$ 72.84

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	4,302,893	(376,232)
		Per Application with Project	4,679,124	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	376,231	376,231
		Per Application with Project	-	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	Operating Expenses	Per Staff Analysis	3,009,981	133
		Per Application with Project	3,009,848	
	Staff's calculation includes the difference in the Administrative Fee associated with the DWTRF Loan.			
(4)	Principal & Interest	Per Staff Analysis	1,441,598	27,232
		Per Application with Project	1,414,366	
	The difference in P&I is related to Staff's calculation of a loan of \$3,880,590 for 30 years at 0%.			
(5)	Reserve Account @ 10%	Per Staff Analysis	65,315	2,723
		Per Application with Project	62,592	
	Staff assumed a 10% reserve on the new debt.			
(6)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	110,143	(18,240)
		Per Application with Project	128,383	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

CITY OF ST. ALBANS - WATER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2025
 APPLICATION NO: 2026W-2779
 May 8, 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
	\$	\$	\$	\$
<u>AVAILABLE CASH</u>				
Operating Revenues	4,168,840	5,062,051	(375,614) (1)	4,686,437
Other Operating Revenue	102,814	102,814	-	102,814
SB 234 Annual Working Cash Collections			375,614 (2)	375,614
Interest Income & Other Misc.	353,374	353,374	-	353,374
Total Cash Available	4,625,028	5,518,239	-	5,518,239
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	3,004,910	3,004,910	-	3,004,910
Taxes	89,844	89,844	-	89,844
Total Cash Requirements Before Debt Service	3,094,754	3,094,754	-	3,094,754
Cash Available for Debt Servi (A)	1,530,274	2,423,485	-	2,423,485
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	788,438	1,759,918	3,421 (3)	1,763,339
Other Debt	-	-	-	-
Reserve Account @ 10%	-	97,148	341 (4)	97,489
Renewal & Replacement Fund (2.5%)	115,626	137,956	(18,225) (5)	119,731
Total Debt Service Requirement	904,064	1,995,022	(14,463)	1,980,559
SB 234 Cash Working Capital	375,614	375,614	-	375,614
Remaining Cash	250,596	52,849	14,463	67,312
Percent Coverage (A) / (B)	194.09%	137.70%		137.44%
Average rate for 3,400 gallons	\$ 55.50	\$ 69.44	\$ -	\$ 69.44
Average rate for 4,000 gallons	\$ 63.00	\$ 78.82	\$ -	\$ 78.82

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	4,686,437	(375,615)
		Per Application with Project	5,062,051	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	375,614	375,614
		Per Application with Project	-	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	Principal & Interest	Per Staff Analysis	1,763,339	3,421
		Per Application with Project	1,759,918	
	The difference in P&I is related to Staff's calculation of a loan of \$7,609,000 for 40 years (funded over 38 years) at 5%.			
(4)	Reserve Account @ 10%	Per Staff Analysis	97,489	341
		Per Application with Project	97,148	
	Staff assumed a 10% reserve on the new debt.			
(5)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	119,731	(18,225)
		Per Application with Project	137,956	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			



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M E M O R A N D U M

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: April 29, 2026

SUBJECT: Infrastructure Preliminary Application for the City of St. Albans: Lead Service Line Identification Project in Kanawha County, WV. (2026W-2779)

We have reviewed the above referenced project application information. The City of St. Albans, discharges its backwash to its site, which is covered under WV/NPDES Site Registration No. WVG640139, and expires July 18, 2028.

If the City of St. Albans 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 City of St. Albans 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 City of St. Albans should contact John Lockhart or a member of his staff at (304)-926-0499, extension 43821 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