



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: Marie Prezioso, Chair

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

Date: June 19, 2025

Subject: City of Elkins
IJDC No. 2025S-2653
Georgetown Road Area Wastewater Improvements

-
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.

- c. ___ The Funding Committee does not need to review the funding assumptions on this project. This project will need to be tabled to give time for the PSC to complete the review.
- d. ___ This project should be referred to the Consolidation Committee.

3. Other remarks:

This project will replace gravity sewer lines on Livingston Ave and install a new forcemain from the Vector Avenue pump station along Scott Ford Rd. Replacement of the deteriorated sewer line along Trickett Lane and an upgrade to the Vector Ave. pump station will also be included. This existing line is in disrepair and has reached the end of its useful life. This project will address the overflows that resulted in a Notice of Violation (NOV W24-42-012-TPD).

Using the Combined Application, the Total Fee appears to be above the ASCE curve and a variance is required.

The total cost for this project is \$3,000,000.00 and the City intends to pursue a \$500,000 IJDC Grant, a \$1,500,000 in CWSRF Principle Forgiveness, and a \$1,000,000 USACE Section 571 Grant.

Preliminary Project Ratings:

Public Health Benefits: 10

Compliance with Standards: 20



Russel Crane
Interim Cabinet Secretary of Health

Jason R. Frame
OEHS Director

MEMORANDUM

TO: Meredith J. Vance, Director
Environmental Engineering Division

FROM: Patrick Murphy, P.E.
Environmental Engineering Division

DATE: April 6, 2025

SUBJECT: City of Elkins
IJDC Application- **2025S-2653**
Georgetown Road Wastewater Improvements
Randolph 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 (Alternative 1) to replace the gravity sewer line on Livingston Avenue; construct a new force main from the Vector Avenue pump stations along Scott Ford Road to the Livingston Avenue gravity sewer; and to upgrade the Vector Avenue pump station.

The total project cost is **\$2,500,000.00**

Need for the Project:

The city reports that the gravity sewer line along Sylvester Drive and associated Sanitary Sewer Overflow (SSO) are often overloaded from the discharge from the Vector Avenue pump station resulting in four (4) manhole overflows (spills) from June 2022 to February 2024 and that the gravity sewer line along Livingston Avenue is in disrepair and has reached the end of its useful life.

Concerns: No concerns were noted.



Permits:

Coordination with the following agencies will likely be required for this project:

- WV Department of Environmental Protection
- WV Department of Health
- WV Department of Transportation
- US Army Corps of Engineers



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Harold D. Ward, Cabinet Secretary
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MEMORANDUM

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

FROM: Corey McComas, DWWM

DATE: May 16, 2025

SUBJECT: City of Elkins
IJDC No. 2025S-2666
Georgetown Rd./Trickett Ln. Wastewater Improvements

RECOMMENDATION

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

PROJECT DESCRIPTION

The City of Elkins (City) currently owns a wastewater treatment plant (WWTP) and a collection system, which includes 14 CSOs. The City serves 3,099 customers in the City and surrounding areas, including from Midland Public Service District and Leadville Public Service District. The City's WWTP is a 5.97 MGD oxidation ditch, which discharges into the Tygart Valley River.

The project will involve the following: replace approximately 4,700 LF of GSP on Livingston Ave., install approximately 1,900 LF of FM from the Vector Ave. pump station along Scott Ford Rd. to the Livingston Ave. gravity sewer, upgrade the Vector Ave. pump station, replace approximately 830 LF feet of deteriorated 18" VCP sewer line along Trickett Lane with 18" PVC sewer line, replace existing service laterals and manholes connected to the new sewer line, and all necessary appurtenances.

The proposed total cost for this project is \$3,000,000.00 and the City intends to pursue a \$500,000 IJDC Grant, a \$1,500,000 in CWSRF Principle Forgiveness, and a \$1,000,000 USACE Section 571 Grant. The monthly rate for 3,400 gallons is \$50.80 (1.57% MHI).

NEED FOR PROJECT

The Georgetown Road area has two main issues to be addressed. First, the City reports that the gravity sewer line along Livingston Ave. is in disrepair and has reached the end of its useful life.

In addition, the City reports that the gravity sewer line along Sylvester Dr. and associated Sanitary Sewer Overflow (SSO) are often overloaded from the discharge from the Vector Ave. pump station resulting in four (4) manhole overflows (spills) from June 2022 to February 2024. This resulted in a Notice of Violation (NOV W24-42-012-TPD).

The 18” vitrified clay pipe (VCP) wastewater collection line along Trickett Lane from 2nd Street upstream to 4th Street has contributed to a sewage back-up at multiple locations, including City Hall.

DEFICIENCIES/COMMENTS

- No discussion of I&I was provided. There is a concern that excessive I&I is contributing to the SSOs.
- The PER will need to be developed into a facilities plan that meets CWSRF requirements if CWSRF is used..
- Using the Combined Application, the Total Fees appear to be above the ASCE curve.

Preliminary Project Ratings:

Public Health Benefits: 10
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



June 19, 2025

Ms. Kathy Emery, P. E.
Office of Water Resources
Department of Environmental Protection
601 57th St.
Charleston, West Virginia 25304

Re: Public Service Commission Staff Review Comments
Application No. 2025S-2666
Elkins, City of – Sewer System Improvements
Infrastructure Preliminary Application

Dear Ms. Emery:

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
BC:vb

**PUBLIC SERVICE COMMISSION STAFF
TECHNICAL REVIEW**

DATE: June 19, 2025

PROJECT SPONSOR: CITY OF ELKINS – SEWER

PROJECT SUMMARY: This project consists of replacing gravity sewer line, constructing a new force main, and upgrading a pump station in the Georgetown Road Area and removing and replacing existing gravity sewer line along Trickett Lane from Second Street to Fourth Street.

PROPOSED FUNDING: CWSRF Debt Forgiveness	\$1,500,000
USACE Grant	1,000,000
IJDC District 2 Grant	<u>500,000</u>
Total	\$3,000,000

CURRENT/PROPOSED

RATES: \$50.80 3,400 gallons
\$59.37 4,000 gallons

Application No. 2025S-2666

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

FINANCIAL: William Nelson

1. Current rates (\$50.80 for 3,400 gallons) are above the rate attributable to 1.25% (\$40.53) and 1.5% (\$48.64) of the Median Household Income (MHI), but below the rates attributable to 1.75% (\$56.74) and 2.0% (\$64.85) of the MHI. Increasing current rates to 1.75% and 2.0% of the MHI would provide additional revenues of \$282,082 and \$666,792 respectively.
2. Using Scenario 1, the preferred funding package consisting of a CWSRF Debt Forgiveness of \$1,500,000, a USACE Grant of \$1,000,000, and an IJDC District 2 Grant of \$500,000, proposed rates (\$50.80 for 3,400 gallons) will provide a cash flow surplus of \$61,553 and debt service coverage of 137.52%.

3. Using the Scenario 2 alternate loan package of \$3,000,000 (in uncommitted funds) at 5% for 40 years (paid back over 38 years), proposed rates (\$53.85 for 3,400 gallons) will provide a cash flow surplus of \$31,666 and debt service coverage of 131.58%.

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, 2024, 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 grant funded.
- D. 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.
- E. The City of Elkins (City) 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 Elkins (Elkins) is proposing to make improvements to its existing wastewater collection system. The proposed project scope includes: 1900 LF of 6-inch forcemain, 5 forcemain cleanouts, 3070 LF of 12-inch gravity sewer pipe, 850 LF of 18-inch gravity sewer pipe, 13 new manholes, 20 VF of manhole risers, forty-five (45) 4-inch service laterals, 1850 LF of 4-inch gravity sewer pipe, 3 connections to existing manholes, abandon 3 manholes, upgrade the existing Vector Ave pump station, 200 LF of 18-inch corrugated exterior/smooth interior pipe, 1900 LF of WVDOH inspection fee, 1900 LF of WVDOH Type "B" Trench Repair, 200 LF of WVDOH Type "C" Trench Repair, 200 LF of WVDOH Rock-Lined Ditch, 500 LF of full width roadway crushed stone repair, 900 tons of milling and overlay with WVDOH Type 1, erosion and sediment controls, project area video recording, restoration of disturbed areas, mobilization, and all necessary appurtenances. The estimated construction cost is \$1,982,918 (includes 10.0% construction contingency), and the estimated total project cost is \$3,000,000 (includes 4.16 % project contingency).

Need: The PER indicates that the sewer line along Sylvester Drive is often overloaded by the discharge from the Vector Avenue pump station, which results in overflows at manholes. Additionally, the PER states that the gravity sewer line along Livingston Ave has "...reached the end of its useful life.", and the 18-inch vitrified clay pipe (VCP) from 2nd street to 4th street has contributed to sewage back-ups.

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 \$3,000,000, and having approximately 3074 customers, the cost per customer will be approximately \$976. However, the proposed project is 100% grant 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 evaluated two (2) alternates, which propose very similar scopes of work. Except Alternative #2 evaluated constructing a new forcemain from the Vector Ave pump station connected directly to the existing WWTP. The PER states that Alternate #1 was recommended as this option is more cost-efficient, will result in a smaller environmental impact, and addresses the need for the project.
5. Consolidation: There are no consolidation opportunities presented by this project.
6. Operation and Maintenance (O&M) Expenses: The PER included a breakdown of changes to O&M, and suggests that costs are estimated to increase annually by approximately \$200 due to the estimated costs associated with pumping and power consumption.
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 \$608,500, which is equal to 30.69% of the construction cost of \$3,000,000 (includes 10% construction contingency).
8. Deficiencies/Comments:
 - The PER did not include an evaluation of I&I.

CITY OF ELKINS - SEWER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2024
 APPLICATION NO: 2025S-2666
 June 19, 2025

**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
	\$	\$	\$	\$
<u>AVAILABLE CASH</u>				
Operating Revenues	2,835,486	2,835,486	(203,869) (1)	2,631,617
Other Operating Revenue	256,196	256,196	-	256,196
SB 234 Annual Working Cash Collections			203,869 (2)	203,869
Interest Income & Other Misc.	71,201	71,201	-	71,201
Total Cash Available	3,162,883	3,162,883	-	3,162,883
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	1,630,751	1,630,951	-	1,630,951
Taxes	50,172	50,172	-	50,172
Total Cash Requirements Before Debt Service	1,680,923	1,681,123	-	1,681,123
Cash Available for Debt Service (A)	1,481,960	1,481,760	-	1,481,760
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	1,077,501	1,077,501	-	1,077,501
Other Debt	35,199	35,199	-	35,199
Reserve Account @ 10%	31,442	31,442	-	31,442
Renewal & Replacement Fund (2.5%)	79,072	79,072	(6,877) (3)	72,195
Total Debt Service Requirement	1,223,214	1,223,214	(6,877)	1,216,337
SB 234 Cash Working Capital	203,844	203,869	-	203,869
Remaining Cash	54,902	54,677	6,877	61,553
Percent Coverage (A) / (B)	137.54%	137.52%		137.52%
Average rate for 3,400 gallons	\$ 50.80	\$ 50.80	\$ -	\$ 50.80
Average rate for 4,000 gallons	\$ 59.37	\$ 59.37	\$ -	\$ 59.37

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	2,631,617	(203,869)
		Per Application with Project	2,835,486	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	203,869	203,869
		Per Application with Project	-	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	72,195	(6,877)
		Per Application with Project	79,072	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			

CITY OF ELKINS - SEWER
 CASH FLOW ANALYSIS
 YEAR ENDED: June 30, 2024
 APPLICATION NO: 2025S-2666
 June 19, 2025

**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	2,835,486	3,005,486	(203,869) (1)	2,801,617
Other Operating Revenue	256,196	256,196	-	256,196
SB 234 Annual Working Cash Collections			203,869 (2)	203,869
Interest Income & Other Misc.	71,201	71,201	-	71,201
Total Cash Available	3,162,883	3,332,883	-	3,332,883
<u>OPERATING DEDUCTIONS</u>				
Operating Expenses	1,630,751	1,630,951	-	1,630,951
Taxes	50,172	50,172	-	50,172
Total Cash Requirements Before Debt Service	1,680,923	1,681,123	-	1,681,123
Cash Available for Debt Service (A)	1,481,960	1,651,760	-	1,651,760
<u>DEBT SERVICE REQUIREMENTS</u>				
Principal & Interest (B)	1,077,501	1,254,005	1,349 (3)	1,255,354
Other Debt	35,199	35,199	-	35,199
Reserve Account @ 10%	31,442	49,092	135 (4)	49,227
Renewal & Replacement Fund (2.5%)	79,072	83,322	(6,877) (5)	76,445
Total Debt Service Requirement	1,223,214	1,421,618	(5,393)	1,416,225
SB 234 Cash Working Capital	203,844	203,869	-	203,869
Remaining Cash	54,902	26,273	5,393	31,666
Percent Coverage (A) / (B)	137.54%	131.72%		131.58%
Average rate for 3,400 gallons	\$ 50.80	\$ 53.85	\$ -	\$ 53.85
Average rate for 4,000 gallons	\$ 59.37	\$ 62.93	\$ -	\$ 62.93

Staff Adjustments

<u>Adjustment Description</u>			\$	Increase <Decrease>
(1)	Operating Revenues	Per Staff Analysis	2,801,617	(203,869)
		Per Application with Project	3,005,486	
	Adjust revenues in accordance with PSC General Order 183.11.			
(2)	SB 234 Annual Working Cash Collections	Per Staff Analysis	203,869	203,869
		Per Application with Project	-	
	Account for SB 234 (2015) funding pursuant to PSC General Order 183.11.			
(3)	Principal & Interest	Per Staff Analysis	1,255,354	1,349
		Per Application with Project	1,254,005	
	The difference in P&I is related to Staff's calculation of a loan of \$3,000,000 for 40 years (paid back over 38 yrs.) at 5%.			
(4)	Reserve Account @ 10%	Per Staff Analysis	49,227	135
		Per Application with Project	49,092	
	Staff assumed a 10% reserve on the new debt.			
(5)	Renewal & Replacement Fund (2.5%)	Per Staff Analysis	76,445	(6,877)
		Per Application with Project	83,322	
	Staff used 2.5% of the projection of "Operating & Other Revenues" as the basis of the renewal & replacement fund.			