



ARPA-23

ARP Application - Jefferson County

Status: Active

Date Created: Nov 3, 2021

Applicant

Internal Section

Certification

Digital Signature

Michelle Gordon
11/03/2021

Contact Information

Organization Name

Shenandoah Junction Public Sewer, Inc.

Address

270 Industrial Blvd, Kearneysville, WV 25430

Website (if applicable)

--

Phone Number

304-725-9140

Email Address

lsnyder@snyderenv.com

Project Summary

1. Brief description of the proposal

Allow CTUB to acquire and upgrade the collection system of SJPS; decommission SJPS WWTP; extend CTUB's system to connect and receive SJPS customers with construction of new pump station; and, further extend CTUB service into Shenandoah Junction area.

2. Purpose and key anticipated outcomes

TO BE ENTERED BY APPLICANT

3. Individuals or communities served

TO BE ENTERED BY APPLICANT

4. How the COVID-19 pandemic has necessitated this request

TO BE ENTERED BY APPLICANT

5. Amount of funding requested

1

6. Amount of any bids or cost estimates received to date, if applicable

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7a. Amount of matching funds raised or committed by your organization

0

7b. Source of matching funds raised or committed by your organization

0

8. How ARP funds, if awarded, will be used

TO BE ENTERED BY APPLICANT

9. How long it will take you to complete the project if awarded funding

TO BE ENTERED BY APPLICANT

Proposal Details

1. Please describe the problem or need which your project seeks to address

TO BE ENTERED BY APPLICANT

2. Please describe goals and expected outcomes of your proposal.

TO BE ENTERED BY APPLICANT

3. Please provide your project timeline

TO BE ENTERED BY APPLICANT

4. Please provide your project's total proposed budget.

TO BE ENTERED BY APPLICANT

5. Please list any partners in this proposal, and the partner's role and your relationship with them.

TO BE ENTERED BY APPLICANT

6. Please describe your plan for sustainability of the project or initiative after the grant award has been exhausted.

TO BE ENTERED BY APPLICANT

Organization Information

1. Please provide your organization's mission statement.

TO BE ENTERED BY APPLICANT

2. Describe the history of your organization, tell us about your current programs and activities

TO BE ENTERED BY APPLICANT

3. Please describe three significant accomplishments of your organization.

TO BE ENTERED BY APPLICANT

4. Please list your Owner(s), Board of Directors, senior staff members, or other key members of your organization:

TO BE ENTERED BY APPLICANT

5. Please list the staff involved with this project and describe their roles and responsibilities:

TO BE ENTERED BY APPLICANT

Cash flow statement for applicant's most recent fiscal year

☐ Uploaded by ... on

Two years of audited financial statements

☐ Uploaded by ... on

Current operating budget

☐ Uploaded by ... on

If the applicant has not been audited, please include an unaudited balance sheet and income statement as prepared by the applicant

☐ Uploaded by ... on

7. List any federal, state, local or private grant awards or funding received in the last three years and the current status of those funds. If your organization has previously received funds from Jefferson County, please list the amount, nature of the project(s) and current status of the funding and project(s).

TO BE ENTERED BY APPLICANT

8. If you have made an application for funding for this project from other sources (city, state, private or non-profit organizations) please list the same here.

TO BE ENTERED BY APPLICANT

Impact of the COVID-19 Pandemic

1. Please explain the impact of the COVID-19 pandemic and how it relates to your request.

TO BE ENTERED BY APPLICANT

2. How will ARP funding, if awarded, aid in the recovery from the COVID-19 pandemic?

TO BE ENTERED BY APPLICANT

3. Are you requesting lost revenue due to COVID-19

No

Supplementary Information

1. Please enter contact information (name, email, and phone) for at least one third-party reference.

TO BE ENTERED BY APPLICANT

2. Please include any supplementary information or documentation (such as letters of support, newspaper articles, etc) which you feel will be essential to the County's review.

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Attachments

 ARPA-23 Shenandoah Junction Public Sewer Initial Letter 2021-10-08.pdf
Uploaded by Michelle Gordon on Nov 3, 2021 at 12:37 pm

History

Date	Activity
Nov 3, 2021 at 12:28 pm	Michelle Gordon started a draft of Record ARPA-23
Nov 3, 2021 at 12:34 pm	Michelle Gordon submitted Record ARPA-23
Nov 3, 2021 at 12:35 pm	approval step Application Review was assigned to Michelle Gordon on Record ARPA-23
Nov 3, 2021 at 12:35 pm	changed the deadline to Nov 04, 2021 on approval step Application Review on Record ARPA-23
Nov 3, 2021 at 12:37 pm	Michelle Gordon added attachment ARPA-23 Shenandoah Junction Public Sewer Initial Letter 2021-10-08.pdf to Record ARPA-23

304-725-9140
Lsnyder@snyderenv.com

**SHENANDOAH JUNCTION PUBLIC SEWER, INC
270 INDUSTRIAL BLVD.
KEARNEYSVILLE, WV 25430**

October 8, 2021

Mr. Steve Stolipher, President
Jefferson County Commission
PO Box 250
124 East Washington Street
Charles Town, WV 25414

Re: American Rescue Plan Act - Request for Funding for
Improved Sewer for Shenandoah Junction

Dear President Stolipher:

Please accept this letter as a request for funding under the American Rescue Plan Act ("ARPA") and/or other public funding sources to the Charles Town Utility Board ("CTUB") that will result in improved sewer service to the residents of Shenandoah Junction and surrounding areas. With the recent passage of the ARPA, Jefferson County can leverage federal funding under the ARPA to positively impact our communities now and well into the future.

The requested funding will allow CTUB to (1) acquire and upgrade the collection system of Shenandoah Junction Public Sewer, Inc. ("SJPS"), (2) decommission SJPS's outdated and at capacity wastewater treatment plant, (3) extend CTUB's system to connect with and receive flows from SJPS including construction of a new pump station, and (4) further extend sewer service to residents in the Shenandoah Junction area. CTUB is also seeking funding under the Distressed and Failing Utilities Improvement Act W.Va. Code § 24-2H-1, et seq., through SJPS's Petition to the Public Service Commission of West Virginia ("PSC") for a determination that SJPS is a distressed or failing utility. See WV PSC Case No. 21-0260-S-P. A copy of the PSC Petition is attached for reference. Representatives of SJPS and CTUB have met and are cooperating to seek funding for this project.

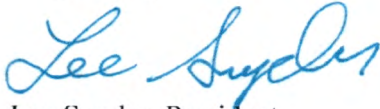
In order to provide some background, I offer the following. There are 168 customers currently receiving sewer service from SJPS. The wastewater treatment plant was constructed in 1975. The plant generally meets its discharge permit. It is of durable concrete construction and could continue to be operated for many years. However, the DEP recently tightened its discharge requirements. Further, the Chesapeake Bay Nutrient Removal requirements present a long-term problem with discharge limits. Accordingly, this makes the plant more difficult to operate in

compliance with its discharge permit. Further, the plant is loaded to its capacity. In order to avoid the plant being loaded in excess of its capacity, SJPS was forced to seek and obtain a moratorium on new sewer connections to the SJPS collection system from the PSC. It is the obligation of SJPS to seek to lift the moratorium on new connections to the system. See WV PSC Case No. 17-1358-S-PC (Recommended Decision final February 12, 2018).

SJSPS is properly certificated by the PSC to provide sewer service in Shenandoah Junction. SJPS would be glad to be able to construct a new state-of-the-art wastewater treatment facility to serve Shenandoah Junction. However, the cost to construct and operate a facility would be prohibitive. The cost to the small number of SJPS customers and the requirement to obtain approval from the PSC to build and operate such an expensive facility would certainly not be approved by the PSC. There is no practical alternative for the Shenandoah Junction customers other than connection to CTUB collection system.

Thank you for your consideration of this important project funding request to improve sewer service to Shenandoah Junction.

Respectfully,



Lee Snyder, President
Shenandoah Junction Public Sewer

Enclosure

Cc: Tricia Jackson, VP Jefferson County Commission
Clare Ath, Commissioner
Caleb Wayne Hudson, Commissioner
Jane Tabb, Commissioner
Kristen Stolipher, CTUB Utility General Manager
April Shultz, CTUB Assistant Utility Manger
Daryl Hennessy, CTUB City Manager/Chairman
Pete Kubic, CTUB Civil Engineer/Vice Chairman
Thomas Stocks, Treasurer
Keith Pierson, Mayor City of Ranson
Jacquelyn Milliron, CTUB Board Member
Roger Goodwin, Chief Engineer
Stephanie Grove, County Administrator
Charlotte Lane, Chairman WV PSC
Sylvie Steranka, Staff Engineer WV PSC
David Hanna, Hanna & Hanna PLLC
Michael Griffith, Griffith & Associates
Stephanie Reel, Jefferson Utilities General Manager



HANNA & HANNA PLLC

Attorneys at Law

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www.hannalawpllc.com

March 15, 2021

VIA E-MAIL: caseinfo@psc.state.wv.us

Connie Graley
Executive Secretary
Public Service Commission
201 Brooks Street
Charleston, WV 25301

04:08 PM MAR 15 2021 EXEC SEC DIV

Re: Case No. 21-0260-S-P
SHENANDOAH JUNCTION PUBLIC SEWER,
INC.

Petition for determination that the
Company is a Distressed or Failing Utility
Under W.Va. Code § 24-2H-1, et seq.

Dear Ms. Graley:

On behalf of Shenandoah Junction Public Sewer, Inc., attached for filing is a
Petition for determination that the Company is a Distressed or Failing Utility Under W.Va.
Code § 24-2H-1, et seq.

If you have any questions, please contact me.

Sincerely,

David B. Hanna
WV State Bar # 8813
dhanna@hannalawpllc.com

DBH/dh
Enclosure
cc: L. Snyder

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

CASE NO. 21-0260-S-P

SHENANDOAH JUNCTION PUBLIC SEWER, INC.,
a public utility.

Petition for determination that the Company is a
Distressed or Failing Utility Under W.Va. Code § 24-2H-1, et seq.

PETITION

Comes now Shenandoah Junction Public Sewer, Inc., a public utility ("SJPS"), and requests that the Commission determine that SJPS is a "Distressed" or "Failing" Utility under the Distressed and Failing Utilities Improvement Act (the "Act"), W.Va. Code § 24-2H-6(a); W.Va. Code § 24-2H-1 et seq. In support of its petition, SJPS respectfully shows the Commission as follows:

1) SJPS is a certificated sewer system serving approximately 187 customers in the community of Shenandoah Junction, Jefferson County, West Virginia. See Shenandoah Junction Public Sewer, Inc., Case No. 03-0564-S-CN (Recommended Decision, final October 27, 2003). SJPS's address is 270 Industrial Boulevard, Kearneysville, WV 25430.

2) SJPS's sewage treatment plant is over 40 years old and, although it is still quite durable, it is heavily loaded. It is difficult to assure that the sand filters will remain operational during the winter. If the sand filters are bypassed, SJPS will be unable to meet more restrictive discharge limits that have been recently enacted. SJPS has had several issues with the West Virginia Division of Environmental Protection ("DEP") over the plant's operation and is currently under a consent order with the DEP.

3) On September 21, 2017, SJPS filed with the Commission a Petition for Consent and Approval for the Imposition of a Moratorium on the utility system serving new customer locations. See Case No. 17-1358-S-PC (the "Moratorium" case).

4) On December 20, 2017, in the Moratorium case, Staff issued its Final Joint Staff Memorandum. Staff opined that improving the performance of an older plant to meet the requirements of the Chesapeake Bay Initiative may be technically infeasible and/or cost prohibitive. The WVDEP reviewed pollution control permits for facilities discharging into tributaries of the Chesapeake Bay. As a result of this review process, the permit for the SJPS wastewater treatment plant was revised. The existing SJPS plant must meet WVDEP Category 3 permit limits which require an advanced level of treatment. The imposition of the highly restrictive effluent limits on this older, relatively low-technology facility has resulted in "excursions" during which the plant does not achieve the required level of treatment and separate violations of the NPDES permit. Staff further found that the SJPS plant also routinely exceeds the daily flow maximum of 18,000 gallons per day. The SJPS plant's operational issues have resulted in the utility being placed under at least two consent orders during the past four years. The utility filed a Plan of Corrective Action dated May 8, 2017 in response to a consent order. Staff ultimately recommended that a conditional moratorium be granted with specific requirements.

5) On January 23, 2018, a Recommended Decision was issued in the Moratorium case (final on February 12, 2018) determining that the Staff's recommendations are reasonable and should be adopted as the final resolution of

the case. The conditional moratorium was granted and SJPS was required to provide notice of the moratorium. SJPS was further required to file a Plan for Corrective Action and begin filing annual reports detailing the progress made toward lifting the moratorium.

6) SJPS determined that its only affordable long-term solution was to connect the flows of SJPS to the Jefferson County Public Service District's (the "District") force main which runs along the southern edge of the plant's service area. However, without construction of the District's project approved in Case No. 16-0616-PSD-PC-CN to upgrade and improve sewer service in the Flowing Springs service area, the District indicated that it did not have capacity to accept the SJPS's flows.

7) On June 26, 2018, the Commission issued an Order in consolidated Case Nos. 17-0915-PSWD-PC and 18-0006-PSD-C, (1) granting its consent for the District to enter into a Purchase Agreement with the City of Charles Town, (2) approving the Petition filed by the Jefferson County Commission to dissolve the District, and (3) dismissing a formal complaint by SJPS and other interested parties against the District, the Jefferson County Commission and City of Charles Town. In issuing its Order, the Commission relied upon the City of Charles Town Utility Board's ("CTUB") representation that it intends to improve sewer service in the Flowing Springs sewer service area.

8) On August 9, 2018, SJPS filed its revised Plan of Corrective Action in the Moratorium case (attached as Exhibit 1).

9) On January 3, 2020, SJPS filed its Annual Report in the Moratorium case (attached as Exhibit 2) detailing the progress made toward lifting the moratorium. The Annual Report advises that SJPS received a letter dated September 24, 2018, from the District responding to the request of SJPS to receive wastewater treatment service from CTUB by connecting to the District's force main. The District advised that internal District system upgrades may be required in order to transport SJPS's waste to CTUB and that, in light of the planned acquisition of the District by the CTUB, the District Board had determined that the District was not in a position to evaluate and/or construct any system upgrades. As of the filing of SJPS's initial Annual Report, CTUB had not yet responded to SJPS's proposal and request to receive wastewater treatment.

10) On January 4, 2021, SJPS filed its second Annual Report in the Moratorium case (attached as Exhibit 3) attaching a letter SJPS received dated September 10, 2020, from CTUB responding to SJPS's request to receive wastewater treatment service. The letter states that CTUB had determined that it can furnish sewer service for 187 residential EDU's subject to the completion of recommendations contained in an engineering report completed by RK&K, which report is attached to the letter. Further, CTUB's letter states that its Sewer Capacity Improvement fee ("CIF") of \$3,207.00 per EDU will be required from SJPS prior to providing service, an amount totaling approximately \$600,000.

11) In addition to the \$600,000 CIF fee, SJPS estimates that it would cost approximately \$450,000 to install a pump station, 100 feet of gravity sewer @ \$80 per foot, (2) man holes @ 2,800 each, an additional 960 feet of force main @ \$70

per foot and \$25,000 for a Mission SCADA System to connect to CTUB's system. The total cost of SJPS to connect to CTUB would be approximately \$1,153,000 – an amount which is not economically feasible for SJPS to incur.

12) Without resale service from CTUB or the sale of the utility assets of SJPS, the continuation of sewer service to SJPS customers as well as expansion of service to future customers will be in jeopardy – a situation that SJPS seeks to avoid.

13) W.Va. Code §24-2H-3(1) defines a "distressed utility" as:

. . . a water or wastewater utility, that for financial, operational or managerial reasons:

(1) (A) Is in continual violation of statutory or regulatory standards of the Bureau for Public Health, the Department of Environmental Protection or the commission, which affect the water quality, safety, adequacy, efficiency or reasonableness of the service provided by the water or wastewater utility;

(B) Fails to comply within a reasonable period of time with any final, nonappealable order of the Department of Environmental Protection, Bureau for Public Health or the commission concerning the safety, adequacy, efficiency or reasonableness of service, including, but not limited to, the availability of water, the potability of water, the palatability of water or the provision of water at adequate volume and pressure and the collection and treatment of wastewater . . .

14) W.Va. Code § 24-2H-3 defines a "capable proximate water or wastewater utility" as "a public utility which regularly provides adequate, safe and reasonable service of the same type as the distressed utility and is situated close enough to the facilities of a distressed utility that operational management is reasonable, financially viable, and nonadverse to the interests of the current customers of the nondistressed utility."

15) CTUB is a public utility authorized to provide sewer service in Jefferson county and maintains facilities in close proximity to the facilities of SJPS.

16) SJPS has considered the potential for CTUB acquiring the assets and customers of SJPS, and SJPS has suggested to CTUB of the potential acquisition of SJPS in its written correspondence with CTUB. However, there has been no formal proposal or commitment by CTUB or SJPS to formally proceed to accomplish a sale of the assets and transfer of customers.

WHEREFORE, Shenandoah Junction Public Sewer, Inc. requests that the Commission issue an order initiating a proceeding under the provisions of W.Va. Code § 24-2H-6 to determine whether SJPS is a Distressed or Failing utility under the Act. It is further requested that the Commission provide notice to CTUB and to make it a party to the proceeding as a capable proximate utility and to determine their eligibility for funding under W.Va. Code §24-2H-8(e) and other forms of funding that may be available to assist in extending resale service to SJPS or acquiring the utility assets of SJPS by CTUB.

**SHENANDOAH JUNCTION PUBLIC
SEWER, INC.**

By Counsel



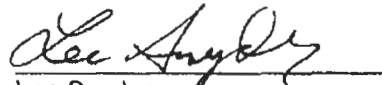
David B. Hanna, Esq. (WVSB # 8813)
Thomas N. Hanna, Esq. (WVSB # 1581)
Hanna & Hanna, PLLC
P.O. Box 3967
Charleston, WV 25339
dhanna@hannalawpllc.com
thanna@hannalawpllc.com

VERIFICATION

State of West Virginia

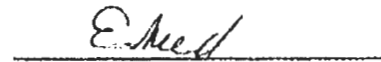
County of Jefferson:

Lee Snyder, President of Shenandoah Junction Public Sewer, Inc., being duly sworn, says that the facts and allegations contained in the attached Petition are true, except so far as they are stated to be on information, and that so far as they are stated to be on information, he believes them to be true.


Lee Snyder

Taken, sworn to and subscribed before me this 15th day of March 2021.

My commission expires on the 7th day of December, 2024


Notary Public

