

The

PIPELINE

News and Views From WV Bureau for Public Health, WV Department of Environmental Protection, and the Public Service Commission of WV

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The Pipeline

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Pipeline Via Email

BY: Amy Swann, Director
Public Service Commission

For several years, the Public Service Commission has provided a pdf version of The Pipeline on its web site at www.psc.state.wv.us. It can be found under the Reports and Publication button on the web site. After this issue, the Commission will notify you by email that The Pipeline is on the web and available for viewing. The Pipeline will no longer be available in print form.

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Infrastructure – Out of Sight, Out of Mind?

BY: Kathryn Emery , P.E.
CWSRF Engineering Section Manager
WVDEP

You may have heard the words sustainable infrastructure used by your contacts at the Department of Environmental Protection, Bureau of Public Health, or Public Service Commission. But what does this mean? The 1987 Bruntland report from the World Commission on Environment and Development defined sustainable development as development that *“meets the needs of the present generation without compromising the ability of future generations to meet their needs.”* The Environmental Protection Agency wants the states to promote practices that encourage utilities and their customers to address existing needs so that future generations will not be left to address the approaching wave of infrastructure needs that will result from aging infrastructure.

The next question you may be asking yourself is, “What does this have to do with my system?” Water is flowing, so there shouldn't be any major issues with my system and I don't want to raise utility rates. The following are two examples of what happens when utilities fail to address the issue of their aging infrastructure. Within the last year, two West Virginia communities have realized that while you may choose to ignore your

infrastructure, it won't allow you to ignore it. One community had to get a bank loan for emergency repairs when a line failed in the middle of a city street. The other had a line failure beside a piece of playground equipment. (Fortunately, no one was hurt in either case). They also had to fund emergency work.. So the question you need to ask yourself is this: "Do I want to have a good asset management program in place with the necessary rate increases needed to manage my infrastructure properly, or do I want to wait until a failure occurs, leaving customers without water/sewer infrastructure while I scramble to fund and fix the problem?" The next question is this: "What would my customers prefer I do?" Either way, utility rates will increase. I anticipate more of these examples coming to my attention as the state's infrastructure continues to age unless communities start a sustainable infrastructure program with an emphasis on asset management.

To help you develop an asset program, EPA has many valuable tools available to assist your community. One is a free software program called CUPSS, which stands for Check-Up Program for Small Systems. This software, and additional information regarding it, can be downloaded at <http://www.epa.gov/cupss/> . If you do not have internet access, you can call 1-800-490-9198 to order the software, along with a user's guide. This software will enable you to develop an inventory of your assets, schedule required maintenance, compare the financial picture of where you are and where you need to be, determine what areas of your system require immediate attention, and provide you with a tailored asset management plan.

Another tool available to assist you with developing community support for your sustainable infrastructure program can be found at <http://www.liquidassets.psu.edu/> . This site will provide you with a downloadable Community Toolkit Outreach Guide and you can also order the Liquid Assets DVD. This DVD gives excellent real-life illustrations of just how dire the situation is for our nation's infrastructure and provides examples of how communities and cities are facing this challenge. If you do not have internet access, you can contact Elaine Brzycki at 1-814-863-5604.

I hope you will consider developing a sustainable infrastructure program. The DEP will be requiring asset management as a special condition in future loan agreements. "Out of sight, out of mind" can be a dangerous mentality to have concerning your water and sewer infrastructure. It is much safer to have a planned preventive approach to maintenance than to have your infrastructure fail and have no funds available to repair it. If you have any questions concerning the tools listed in this article, please contact me by phone at 1-304-926-0499 at ext. 1596 or by e-mail at Katheryn.D.Emery@wv.gov . I, or one of my staff, would be happy to assist you in getting started on this endeavor.

Customers Deposits

BY: Karen Buckley, Utilities Analyst
Public Service Commission

This is a repetitive time of the year for Staff. The reason is that early each year the Public Service Commission sets interest rates that electric, gas, sewer, telephone, and water utilities operating in West Virginia must pay on customer deposits. Commission Rule 4.2.1 requires that all new applicants for service from a public service district shall deposit a minimum of fifty dollars with the district to secure service payments in the event of a delinquency. In any case where the deposit is forfeited to pay delinquent charges at the time of disconnection, no reconnection of service may be made until another minimum deposit of fifty dollars has been collected by the District. Once the customer has paid service bills for twelve consecutive non-past due months, commencing from the first regular payment or following the payment of a past due bill or bills, the utility shall promptly refund the deposit plus the rate of interest as determined by Commission order.

The Public Service Commission sets the interest rate to be paid on customer deposits. General Order 186.23 and General Order 188.29 established the interest rate to be paid on customer deposits by respective sewer and water utilities for the year of 2009. The rate for utilities other than public service districts is determined by averaging the one-year U.S. Treasury Bill rates for October, November, and December of the proceeding calendar year. The rate for public service districts is determined by averaging the pass-book savings rates from various banks for the last quarter of the proceeding year or better stated as the rate which a typical small investor could receive at federally insured banks in West Virginia in the last quarter of each calendar year. Thus, as of February 3, 2009 water and sewer utilities (excluding public service districts) shall pay a simple interest rate of 1% on customer deposits, while public service districts shall pay a simple interest rate of .2% on customer deposits. These rates will remain in effect until such time as the Public Service Commission issues another order to establish new rates.

Staff receives many petitions requesting a waiver of the requirement to pay these rates. Customarily, these petitions are requested pursuant to Water Rule 1.6.2 and Sewer Rule 1.6.2 which states, "If hardship results from the application of any rule herein prescribed, or if unusual difficulty is involved in immediately complying with any rule,

application may be made to the Commission for the modification of the rule or for temporary or permanent exemption from its provisions: Provided, that no utility shall submit application for such modification or exemption without submitting therewith a full and complete justification for such action”.

On May 7, 2008, Pennsboro Municipal Water Department and the City of Pennsboro (Utilities) filed a Petition for Waiver from the Commission’s General Order No. 188.26, in Case No. 08-0730-WS-PW dated January 29, 2008, requiring the payment of an established interest rate for security deposits by a municipal utility in calendar year 2008. The interest rate established that year for utilities, other than public service districts, was 3.62%. The Petition requested a waiver of the established interest rate for security deposits for water and sewer accounts held by the utility. The Utilities asserted that its local bank, the Union Bank, located in Pennsboro, West Virginia, only offered a .6% interest rate for this type of an account. Staff filed an Initial and Final Joint Staff Memorandum in which Staff suggested that the Utilities contact other banks to inquire about interest bearing accounts. Staff further noted that it is imperative that the Utilities receive sufficient interest on these accounts since it allows them to reduce their liability in the event a customer would leave the system without paying, since the interest earned on each deposit could be utilized towards satisfying the account balance. On August 15, 2008, Staff received a petition for reconsideration from the Utilities along with several letters from different banks in the area. The Utilities contacted four banks and each bank had a lower interest rate than that established by the Commission in its General Order. The Utilities again asked for a waiver of Rule 1.6.b stating it is a hardship on the City to pay a customer more interest than it was receiving. On September 25, 2008, the Commission entered an order granting in part the Petition for Reconsideration, so that the Utilities may pay a lesser interest rate for security deposits than the interest rate required by General Order No. 188.26. However the Commission stated in that Order that it continues to believe that the Utilities should be able to obtain a better interest rate than the ones offered by the banks listed in the Petition for Reconsideration, perhaps through a different institution or a different type of account or fund. However because the Utilities continued to request a waiver of Rule 4.2.a.7, it granted a partial waiver and allowed them to pay a simple interest rate of 2% on customer security deposits and encouraged them to continue to search for a better interest rate. The Commission further noted that the Water Rules are currently open for public comment and include a proposed change to Water Rule 4.2.a.7. The waiver granted by the Order was only effective until the proposed changes to the Water Rules proposed in General Order 188.28 entered on August 15, 2008, go into effect. Staff will note that the Sewer Rules were open for public comment as well and also include a proposed change to Sewer Rule 4.2.a.7 dealing with security deposits. Initial comments were due by October 31, 2008.

As can be seen, the Commission believes that Utilities can earn an interest rate greater than or equal to that determined by the Commission in the annual General Orders. By proposing this rule, the Commission hopes to provide utilities with a simple, clear way of determining interest to be provided for security deposits. Utilities could contact the State Treasurer's Office and inquire about investment opportunities there.

Fall Prevention

BY: Carl Baldwin , Loss Control Specialist
WV Board of Risk and Insurance Management

Fall prevention is commonly overlooked and often times an afterthought in the work place, even though it's a vital component of workplace safety. Too often we get caught up in our activities and so focused on what we are trying to accomplish that we neglect our responsibility to look out for ourselves and co-workers in contributing to a safe work environment. Many may not realize it, but falls were the 3rd highest ranked workplace fatality that occurred in 2006, accounting for 14% of the total for that year. In addition to the numerous deaths, there are millions of people injured in falls every year. Often dangerous falls are associated with elevated work activates, but in all actuality many people have been injured or even died from falling at ground level on the very surface they were walking on.

One key element to fall prevention is to be aware of your surroundings and recognize potential fall hazards. Look for items that can be potential tripping hazards, such as clutter in the walkway, cords stretched across the floor or something jutting out in the path of travel. Also, pay attention to the conditions of the walking surface itself, such as an icy sidewalk, pot holes in the pavement, cracks, holes or missing pieces in flooring. It is always wise to practice good housekeeping by maintaining areas free from clutter and immediately cleaning up foreign substances such as water, oil or grease on the walking surface, which could cause an unknowing co-worker or customer to slip and fall. Whenever you are ascending or descending stairs, you should always use handrails when provided. Remember, the rails have been installed for a particular purpose, use them! Try not to get in a rush. Being in a rush leads to taking unnecessary short cuts, such as trying to step over obstacles, rather than simply walking around them. Walk at a moderate pace so you can maintain control and not loose your balance.

Along with looking out for hazardous conditions, make sure you communicate and document the event. This is important to make sure others are aware of the condition that either did or does exist and will know what action has or is being taken. If it is a situation that will require repairs and the hazard will exist for a while, proper identification such as warning signs and barricading may be required.

Making it a practice to observe your surroundings and to take action when you recognize a safety hazard is the proactive way to preventing an accident or injury. This is good information that can be applied at home as well as at work. We should practice safety in all aspects of our lives, not just in the work place.

References:

U.S. Bureau of Labor Statistics, U.S. Department of Labor, 2008

Stimulus Bill And The State Drinking Water Treatment Revolving Fund

BY: Jefferson E. Brady, P.E.
Assistant Manager
WV Bureau of Public Health

Recently Congress passed the **American Recovery and Reinvestment Act** also known as the economic stimulus plan. Among other items, this plan includes increased funding under the Drinking Water State Revolving Fund (DWSRF) program. The Act identifies \$2 billion for the DWSRF. This represents a significant increase from the typical annual appropriation for the program. For West Virginia this would mean approximately \$20 million for our state Drinking Water Treatment Revolving Fund (DWTRF) compared to a normal appropriation of \$8 million. The economic stimulus is in addition to the normal annual appropriation.

Congress expects the funds to be used on projects that will go to construction and put people to work quickly. There are going to be many of the same requirements that are currently in place with the DWTRF program along with some additional federal requirements. We, along with most of the other states, have concerns about meeting the

expected time requirements and still meeting the DWTRF requirements.

Some of the expectations for award and expenditures are as follows:

- 20% state match requirement will be waived.
- States need to have 50% of funds committed in 1st year; 100% committed in 2nd year.
- 50% of the award shall be used to provide additional subsidization to eligible recipients in form of forgiveness of principal, negative interest loans or grants.
- Not less than 20% of the funds shall be for projects to address green infrastructure, water or energy efficiency improvements or other environmentally innovative activities.
- Progress in committing funds will be monitored. If necessary, money will be redirected prior to September 30, 2009 to ensure timely use.
- Funds will be available for obligation until September 30, 2010.
- States shall give preference for infrastructure projects that can be started and completed expeditiously, including a goal of using at least 50% of the funds that can be initiated no later than 120 days after enactment.
- Job creation information associated with infrastructure projects funded will likely be required and monitored post award.
- National website (recovery.gov) will track the projects to insure transparency and States may be required to update project status.
- Disadvantaged Business Enterprise (DBE) requirements must still be followed.

In West Virginia we have been planning and preparing for the passage of the Economic Stimulus bill through Congress. We have been reviewing water construction projects and searching for ones that will be able to meet the timeframe for going to construction. To that end, we are accepting DWTRF applications for projects to establish a new priority list. We are coordinating with the Infrastructure and Jobs Development Council

(IJDC) on projects for consideration.

The current procedure for receipt of stimulus funds is as follows:

- States must apply for funds from EPA within 30 days of enactment.
- EPA has a maximum of 30 days to review the applications from the individual states.
- Each state will issue an intended use plan and new project priority list.
- Projects to receive funds will be chosen from the priority list with preference given to projects that are ready to proceed expeditiously.

It is important to note that guidance is still being developed for this act and any of the statements listed above are subject to the final guidance document established. Please contact me at (304) 558-6745 or Jefferson.e.brady@wv.gov with questions.

Requiring A Sewer System Permit Before Providing Water Service

BY: Geert Bakker, Chief Utilities Manager
Public Service Commission

Reprinted from September 2002

A Public Service Water District (PSD) was asked by the sewer utility to stop setting water meters at new homes in a subdivision, since the sewer system was never completed. Obviously, this can become an urgent issue because of the investment by homeowners and the obligations for the water utility. There is no language in the WV State Code that gives a water utility the authority to verify that a valid sewer system permit has been obtained for a new building or residence. However, at least one PSD (Leadsville PSD) has a policy to require a valid sewer permit before water service is provided to a newly constructed house or to a mobile home placed on a previously unoccupied land. The water utility, however, is out on a limb since that policy is not supported by regulatory rules and regulations issued by state agencies; although, electric utilities do verify that proper sewer service is available before extending electric service to a site.

Leadsville's policy has worked well in Randolph County where generally no building permit is required for building a house or placing a mobile home. Even when a building permit is required, many mobile homes are placed without the building permit since there is no enforcement of the permit requirement. In Mercer County the local Health Department (Board) has remedied the situation by passing a local regulation that requires water companies to request verification of a valid permit to install a sewer system for all new residences:

“No public water utility, that serves residences within Mercer County, shall provide water service to an applicant until the water utility is provided with verification from the applicant that a permit to install a sewage system has been issued by the Director. Such system is to serve the structure or proposed structure that the water service is being applied for.”

Verification is not required when: (1) a structure is to be served by a PSD or municipal sewer system; (2) the applicant is requesting service for a structure that has had service in the past; (3) the applicant is requesting service for an existing structure that had been served by a private water supply such a well. This provision was adopted by the Mercer County Board in January 2003. All private and public water utilities agreed to abide by that regulation. Thus far, this policy has been successful in preventing new homes sites without proper sewage treatment available. This policy, requiring a valid sewer permit for new structures before receiving water service, has never been challenged at the PSC.

This regulation is an extension of the Rule 4.1.6.e of the Rules and Regulations for the Government of Water Utilities (water rules) applicable in the territory served by a sewer Public Service District. A water utility must ask the applicant for proof that a proper application for sewer service has been made to a public service district and a security deposit paid to the Sewer PSD. The Mercer County Board's regulation extends this rule to all new applicants in Mercer County. Also Rule 4.8.b.2 Rules and Regulations for the Government of Sewer Utilities (sewer rules) allows: “Where conditions hazardous to life or property are found to exist on the customer's premises, or, the water may be shut off without notice in advance.”.

Obviously, public health issues are primary concerns for all county health departments. Since maintaining clean and safe water and the sanitation of sewage are public health issues, there is little doubt that this issue falls under the Board's jurisdiction. Requiring that water utilities receive verification of a valid Health Department permit before providing water service is a logical solution to the pollution problems in our environment. Also, a formal rule approved by the Board protects the water utility. Leadsville PSD's policy

was challenged by an industrial customer, when the District asked for the customer's DEP's discharge permit. The key question remains "what is the water utility's liability in an illegal discharge suit or when a polluted stream is the source for a communicable disease". Public health issues touch everyone. If a community is threatened by an epidemic, water company officials will be directly involved in any investigation. Contact your local Health Department and start a dialogue now.

Surcharge For High Strength Waste (Part 1)

BY; Joe Marakovits Technical Analyst
Public Service Commission

In the May, 1996 Issue of the Pipeline, you may remember that Staff had first introduced an article dealing with how to apply your Surcharge for Unusual or Industrial Waste tariff to facilities such as landfills, hospitals, and various types of industries. This standard surcharge formula can be found in nearly every sewer tariff in the state. In fact the surcharge formula is now part of the Public Service Commission's Tariff Rules. Since that time, however, sewer utilities have now encountered a new type of customer that warrants a slightly different way of calculating a surcharge rate. That customer is the regional jail or state/federal prison. The necessary surcharge is for high strength domestic waste.

With the new design and operation of these types of facilities, sewage discharges containing high concentrations of Biochemical Oxygen Demand (BOD) and Suspended Solids (SS) can be expected. BOD is the amount of molecular oxygen required to decompose organic matter in sewage, and is thus a measurement of the strength of the sewage. The reasons for these higher concentrations are the use of new low flow plumbing fixtures and inmate's use of cell commodes as trash and food disposals. The typical pre-treatment unit for these facilities consists of a macerator with a tubular screen/auger ("muffin monster"), and trash bin. These installations remove most of the ground up trash particles, while the highly concentrated organic solids pass through to the sewage collection system. Another type of pre-treatment unit used at some facilities is a mechanical bar screen and trash bin where any solids or trash larger than 1/4 inch are completely removed. The latter option results in less loadings to the collection system since organic matter and trash is not macerated prior to removal.

The standard sewer tariff in West Virginia allows for sewage charges based on the volume of metered water, or in some cases, actual sewage flow. The premise here is that all sewage discharges into the sewer system contain average concentrations of SS and BOD, and rates are applied uniformly to everyone based on volume. Prior to the 1980s, engineers designed for an average BOD concentration of 200 milligrams per liter (mg/l), based on .17 pounds (lbs.) per capita per day. Average concentration for SS was 240 mg/l, based on .20 lbs. per capita per day. Today, engineers are designing for average concentrations for BOD and SS of 300-350 mg/l. Again, the primary reasons for this are the new low flow plumbing fixtures and the installation of food grinders in most homes. For new jails and prisons, 400 mg/l and greater is the norm for both BOD and SS.

The use of a high strength surcharge allows the utility a means for collecting additional revenue for those discharges that exceed average concentrations. The average concentration is a matter of preference for each utility. Most utilities have sewer use ordinances which define the maximum allowable concentrations for BOD and SS. For those utilities, I would suggest the maximum allowable concentration as the minimum starting point for calculating a surcharge. For those utilities that do not have maximums in their ordinance. I would suggest either 300 mg/l or 350 mg/l for each parameter. Sampling of the effluent from these facilities should be done with a 24 hour composite sampler with flow measurement device, so that a good representative sample can be collected. I would suggest a monthly sampling of the effluent from these facilities. As an alternative to eliminate the cost of monthly sampling, you could establish a monthly flat rate surcharge based on previous sampling.

The calculation of a surcharge rate is a function of the utility's annual sewage flow volume at the treatment plant, average design BOD and SS concentrations at the treatment plant, annual operation/maintenance costs, and prorated allocation of the plant to BOD and SS. In Part 2, we will explain how you can calculate these surcharges using different spreadsheets and sampling results from the facility. Look for these calculations in our next Pipeline in May 2009.



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