



KC-112

ARP Application - Kanawha County

Status: Active

Date Created: Jan 17, 2023

Applicant

Bruce Mullins
brucemullins@wvregion3.org
315 D Street
South Charleston, WV 25303
304-744-4258

Internal Section

Decision

Award Amount

Additional Comments

Certification

Digital Signature

Bruce A. Mullins
01/17/2023

Click here for more information
(<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>)

PLEASE CERTIFY THAT YOU HAVE REVIEWED THE US TREASURY GUIDELINES REGARDING THE ELIGIBLE USES OF AMERICAN RESCUE PLAN STATE AND LOCAL RECOVERY FUNDS

Contact Information

Organization Name

Kanawha Public Service District

Address

14991 MacCorkle Ave, PO Box 8, Chelyan, WV 25035

Website (if applicable)

<https://kanawhapsd.com>

Phone Number

304-595-2203

Tax ID Type

UEI

Email Address

jacob.kanawha.psd@gmail.com

Tax ID Number

XGN3MAY8FC57

Project Summary

Please provide a narrative overview or summary of your proposal, including but not limited to the following:

1. Brief description of the proposal

Kanawha PSD proposes to provide sanitary sewer services to 281 residents of the Hernshaw/Lens Creek area. The development of this project has been long in the making, but progress is happening and the project is nearly ready to bid. The acquisition of easements has caused massive delays in moving this project forward, but this task is nearly finished. As of this application date, easements are only needed from two property owners and both have verbally committed to sign the documents. It is anticipated that all easements will be recorded and the final title opinion issued by the beginning of February 2023.

Unfortunately, due in-part to the COVID-19 pandemic, the cost of materials has increased rapidly. Based on the previous cost estimate, the project was fully funded at \$10.2 million but a recent update prepared by the engineer estimates that the cost has increased by \$1.45 million. The PSD made an application to the Water Development Authority to fund this shortfall with a grant from the state's Economic Enhancement Grant Fund and was awarded \$1 million contingent upon evidence from the PSD that the remaining \$480,000 is acquired from "some other source" by April 1, 2023.

Financing for this project is being provided by several State and Federal agencies including grants from: USDA, Army Corps of Engineers, WDA EEGF, and the IJDC. In addition to grants, the PSD has secured loans from USDA and the IJDC.

In total, the project is currently funded with \$6.05 million in grant and \$5.15 million in loan with a current shortfall of \$450,000 that is the subject of this request.

2. Purpose and key anticipated outcomes

Many residents of the Hernshaw/Lens Creek area currently dispose of their sewage through failing home treatment units or straight-pipe discharges to ditches which are contaminating the soil and ultimately making its way into Lens Creek. A 1994 waste-water survey report by the Kanawha-Charleston Health Department indicated that 87% of homes and businesses were improperly discharging untreated sewage into roadside ditches and culverts. A follow-up letter dated 2/23/2010 indicates that the problem has not gotten better and may have worsened.

281 homes and businesses will be served by this new sanitary sewer system. Connecting these structures to the system will eliminate the discharge of their untreated sewage into environment.

3. Individuals or communities served

281 homes and businesses in the Hernshaw/Lens Creek area.

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

The COVID-19 pandemic led to unprecedented increases in the cost of materials. In March of 2021, the estimated cost of this project was \$10.2 million. An updated cost was estimated in October of 2022 at a cost of \$11.65 million.

5. Amount of funding requested

480,000

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

11,650,000

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

11,200,000

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

WV IJDC (Loan and Grant), WV WDA (EEGF Grant), US Army Corps of Engineers (Grant), USDA (Loan and Grant)

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

The proposed Schedule B incorporating splits the funds being requested of the Kanawha County Commission with \$417,957.00 included in "Construction" and \$32,043.00 in "Project Contingency."

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

If funded, it is anticipated that the project could advertise for bids on March 1, have bid opening on May 1, and begin construction on July 1, 2023 with substantial completion by July 1, 2024.

Proposal Details

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

Many residents of the Hernshaw/Lens Creek area currently dispose of their sewage through failing home treatment units or straight-pipe discharges to ditches which are contaminating the soil and ultimately making its way into Lens Creek. A 1994 waste-water survey report by the Kanawha-Charleston Health Department indicated that 87% of homes and businesses were improperly discharging untreated sewage into roadside ditches and culverts. A follow-up letter dated 2/23/2010 indicates that the problem has not gotten better and may have worsened.

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

281 homes and businesses will be served by this new sanitary sewer system. Connecting these structures to the system will eliminate the discharge of their untreated sewage into environment.

3. Please provide your project timeline

If funded, it is anticipated that the project could advertise for bids on March 1, have bid opening on May 1, and begin construction on July 1, 2023 with substantial completion by July 1, 2024.

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

Detailed budget is attached. Funds included two loans from the WV IJDC totaling \$4.9 million, two grants from the WV IJDC totaling \$1 million, two grants from the US ACE totaling \$2.075 million, a loan from USDA in the amount of \$250,000, a grant from the USDA in the amount of \$1.975 million, a grant from the WDA EEGF in the amount of \$1 million, and the proposed contribution of ARP funds from the Kanawha County Commission in the amount of \$480,000.

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

N/A

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

Cash flow analysis has been performed and post-project tariffs set to a rate that will provide the PSD with sufficient revenue to provide debt coverage as well as future O&M for the system being constructed.

Organization Information

1. Please provide your organization's mission statement.

No official statement has been adopted. The PSD strives to provide safe and reliable sanitary sewer service to the residents and businesses of eastern Kanawha County.

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

Kanawha PSD is the result of several consolidations. The PSD includes areas that were formerly served by Chelyan PSD and the Upper Kanawha Valley PSD as well as treating flows from the towns of East Bank and Cedar Grove. Kanawha PSD also provides O&M services for the towns of Pratt and Handley.

3. Please describe three significant accomplishments of your organization.

In addition to providing safe and reliable sanitary sewer services to the customers in the area assigned to the PSD, Kanawha PSD also provides services to neighboring municipalities. The PSD provides billing and collection services for the towns of Marmet, Chesapeake, and Pratt as well as operation and maintenance services for the towns of Handley and Pratt. Kanawha PSD also treats the flow of sewage from the towns of East Bank and Cedar Grove.

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

General Manager - Jacob Pack
Chairman of the Board - Randall Hutchinson
Secretary - Charlie Cooper
Treasurer - Joyce Ash
Board Members: Chris Billo and David Anderson

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


Terry Martin and Bruce Mullins from the Regional Intergovernmental Council serve as Project Administrators
Todd Dingess serves as the Project Accountant
Jessie Parker from S&S Engineers serves as the Project Engineer
H. Wyatt Hanna serves as the Local Council and PSC Attorney
Ryan White serves as Bond Council
Jacob Pack serves as the Primary Point of Contact representing Kanawha PSD
The Kanawha PSD Board oversees all aspects of the project.

6. Are you registered with SAM.gov?


Yes

7. Please upload/attach the following financial documents, if applicable:


Cash flow statement for applicant's most recent fiscal year

 2022 Compiled Fs.pdf
Uploaded by Bruce Mullins on Jan 17, 2023 at 10:00 am

Two years of audited financial statements

 2020_2021_Audits.pdf
Uploaded by Bruce Mullins on Jan 17, 2023 at 10:02 am

Current operating budget

 Kanawha PSD Operating Budget.pdf
Uploaded by Bruce Mullins on Jan 17, 2023 at 10:03 am

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

Uploaded by ... on

8. 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 Kanawha County, please list the amount, nature of the project(s) and current status of the funding and project(s).

None other than those associated with this project. (see the detailed budget attached)

9. 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.

See the detailed budget and evidence of commitments attached.

Impact of the COVID-19 Pandemic

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

This application was prompted by an increase in the cost of construction. The COVID-19 pandemic caused interruptions in the supply chain that have led to extreme increases in the cost of materials.

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

If awarded, the \$480,000 being requested will satisfy the requirement imposed by the WDA that the PSD secure the last remaining funds for this project by April 1, 2023. In so doing, the PSD will receive \$1 million in funds from the EEGF and the project will be fully funded.

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.

Board members of the Kanawha PSD are appointed by the Kanawha County Commission.

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.

Uploaded by ... on

Attachments



 budget and evidence of other commitments.pdf

Uploaded by Bruce Mullins on Jan 17, 2023 at 10:15 am

History

Date	Activity
Jan 17, 2023 at 9:10 am	Bruce Mullins started a draft of Record KC-112
Jan 17, 2023 at 10:15 am	Bruce Mullins added attachment budget and evidence of other commitments.pdf to Record KC-112
Jan 17, 2023 at 10:16 am	Bruce Mullins submitted Record KC-112
Jan 17, 2023 at 10:16 am	changed the deadline to Jan 18, 2023 on approval step Application Review on Record KC-112

Timeline

Label	Status	Activated	Completed	Assignee	Due Date
 Request Letter of Acknowledgement	Issued	Jan 17, 2023 at 10:16 am	Jan 17, 2023 at 10:16 am	-	-
 Application Review	Active	Jan 17, 2023 at 10:16 am	-	-	01/17/2023