CHARLES TOWN UTILITY BOARD
AGENDA

WEDNESDAY, JUNE 15, 2022

Special Meeting | **661 South George Street, Charles Town, WV 25414** | **4:00 PM**

CALL TO ORDER

1. **PUBLIC COMMENT**
   This portion of the agenda is designed for members of the general public to share thoughts on items of interest in the community. By law, Board members may ask clarifying questions or discuss procedural matters but are not permitted to discuss the policy merits of any issue unless it is scheduled for discussion.

   The public is invited to attend this meeting in person or via webcast (www.ctubwv.com- Board Meetings - Meeting Agendas and Minutes 2022) or by accessing the following zoom link:

   https://us06web.zoom.us/j/83467209281?pwd=SGUwY2tEQjEweEhUYlNIeW4rM1dxZz09

   Meeting ID: 834 6720 9281
   Passcode: 915591
   +1 301 715 8592 US

2. **NEW BUSINESS**
   a. Renewal & Replacement Project: Bid Update, Funding and Schedule Discussion
      Bids, Schedule and Grant items.pdf
      Revised R&R Project Cash Flows and Coverage.pdf

3. **INFORMATION ONLY**
   a. Next Meeting - June 22, 2022 at 4:00 PM

4. **ADJOURNMENT**

GWIN
DOBSON &
FOREMAN
ENGINEERS

TABULATION OF BIDS

CHARLES TOWN UTILITY BOARD
CHARLES TOWN WASTEWATER TREATMENT PLANT
IMPROVEMENTS PROJECT

JUNE 10, 2022 @ 11:00 AM

BID CERTIFICATION

I hereby certify that the following amounts are a correct and accurate tabulation of the bids received by the Charles Town Utility Board - Charles Town Wastewater Treatment Plant Improvements Project, publicly opened and read aloud on June 10, 2022 after 11:00 AM.

Christopher M. Eckenrode

Christopher M. Eckenrode, P.E.
Senior Project Engineer



BID TABULATION

CHARLES TOWN UTILITY BOARD
CHARLES TOWN WASTEWATER TREATMENT PLANT
IMPROVEMENTS PROJECT

JUNE 10, 2022 @ 11:00 AM

BIDDER	TOTAL LUMP SUM BASE BID PRICE	ALTERNATE A - INFLUENT METERING VAULT (ADD)	ALTERNATE B - WAS METERING VAULT (ADD)	BID SECURITY
Alvarez Contractors, Inc. P.O. Box 94 3436 Patterson Mtn. Road Spring Dale, WV 25986	$9,764,000.00	$152,000.00	$235,000.00	10%
Triton Construction, Inc. P.O. Box 1360 St. Albans, WV 25177	$10,276,100.00	$180,000.00	$200,000.00	10%
HRI, Inc. 1750 West College Avenue State College, PA 16801	$10,485,387.00	$195,000.00	$245,000.00	10%
Lantz Construction Winchester (LCW) 221 Aviation Drive Winchester, VA 22602	$11,313,000.00	$163,900.00	$285,800.00	10%
Snyder Environmental Services, Inc. 270 Industrial Blvd. Kearneysville, WV 25430	$15,900,000.00	$128,200.00	$170,600.00	10%

Original Engineer's Estimate
2021/2022 Renewal and Replacement Projects (Treatment Plant)

Charles Town Plant	$7,797,970
Tuscawilla	Later date
Total Renewal and Replacement Construction Cost	**$7,797,970**
Contingency (±10%)	**$779,797**
TOTAL CONSTRUCTION COST	**$8,577,767**
PROFESSIONAL FEES - Accounting and legal	**$505,000**
PROFESSIONAL FEES - Engineering	**$925,083**
Soft cost Contingency	**$527,577**
Total Renewal and Replacement Project	**$10,535,426**

Internal Funding Strategies	
Capacity Improvement Fee	$877,305
Property Auction	$118,121
Renewal and Replacement fund/Operating Cash	$1,000,000
Total Estimated Internal funding	**$1,995,426**

Renewal and Replacement Project to be funded through Public Bond Issue	**$8,540,000**

Option 1- Base Bid only
2021/2022 Renewal and Replacement Projects (Treatment Plant) Bids

Charles Town Plant Lump Sum Base Bid	$9,764,000
Alternate A Influent Metering Vault (Add)	$152,000
Alternate B WAS Metering Vault (Add)	$235,000
Contingency (5%) Base only	**$488,200**
TOTAL CONSTRUCTION COST Base only	**$10,252,200**
PROFESSIONAL FEES - Accounting and legal	**$505,000**
PROFESSIONAL FEES - Engineering	**$925,083**
Total Renewal and Replacement Project	**$11,682,283**

Internal Funding Strategies		
Capacity Improvement Fees	$1,168,228	10% total construction/design fees
Property Auction	$0	$118,1231 amount moved to
Renewal and Replacement fund/Operating Cash/Working Capital accts	$1,100,000	
Total Estimated Internal funding	**$2,268,228**	

Renewal and Replacement Project Total	**$9,414,054**

Difference between Original Estimate **$874,054**

Option 2- Add Alternates included and no reimbursement of upfront costs
2021/2022 Renewal and Replacement Projects (Treatment Plant) Bids

Charles Town Plant Lump Sum Base Bid	$9,764,000
Alternate A Influent Metering Vault (Add)	$152,000
Alternate B WAS Metering Vault (Add)	$235,000
Contingency (5%) with Add's	**$507,550**
TOTAL CONSTRUCTION COST Base only	**$10,658,550**
PROFESSIONAL FEES - Accounting and legal	**$505,000**
PROFESSIONAL FEES - Engineering	**$429,464** *
Total Renewal and Replacement Project	**$11,593,014**

* Professional Fees minus $455,536.47 paid to date

Internal Funding Strategies		
Capacity Improvement Fees	$1,168,228	10% total construction/design fees (including paid to date)
Property Auction	$0	$118,1231 amount moved to Operating cash acct. below
Renewal and Replacement fund/Operating Cash/Working Capital accts	$1,100,000	
Total Estimated Internal funding	**$2,268,228**	

Renewal and Replacement Project Total	**$9,324,785**

Difference between Original Estimate **$784,785**

~~**April 26, 2022**~~ **Revised June 14, 2022**

Renewal and Replacement Bond Ordinance and Bidding Schedule

March 9, 2022 4:00 p.m. CTUB Regular Meeting

- Consideration of Resolution Requesting Issuance of Bonds

April 4, 2022 7:00 p.m. Council Regular Meeting

- First Reading and Adoption of Bond Ordinance

April 19, 2022 7:00 p.m. Council Regular Meeting

- Second Reading and Adoption of Bond Ordinance

April 27, 2022

- First Publication in the Spirit of Jefferson and Farmer's Advocate of Notices of Public Hearing for May 16, 2022 for Public Hearing on Bond Ordinance.

April 29, 2022

- Advertise for bid. Publication in the Spirit of Jefferson, Builder's Exchange, CTUB website, City of Charles Town website (?), GDF website.

May 4, 2022

- Second Publication in the Spirit of Jefferson and Farmer's

May 20, 2022

- 10:00 a.m. - Pre-bid Meeting held at CTUB office/Site visit afterwards

June 8, 2022

- CTUB Regular Board meeting

~~**June 3, 2022**~~ **June 10, 2022**

- 11:00 a.m. - Bid Opening at CTUB office

June 15, 2022

- CTUB Special Board meeting to discuss bid opening, schedule and financing options

June 21, 2022 Brief City Council on Bid opening, schedule and financing options

~~**June 21, 2022**~~ **July 5, 2022**

City Council Special Meeting

- Present final project budget to City Council
- Present Supplemental Parameters Resolution to City Council

~~**June 27-30, 2022**~~ **July 11-15th** Price Bonds

~~**July 11-15, 2022**~~ **July 25-29th** Close Bond Issue

~~**August 2, 2022**~~ **September 8, 2022** Bid Expiration

WEST VIRGINIA LEGISLATURE

2022 REGULAR SESSION

ENROLLED

House Bill 4566

BY DELEGATES HANSHAW (MR. SPEAKER), MCGEEHAN,

STEELE, ROHRBACH, ANDERSON, J. KELLY, TONEY, D.

KELLY, HOTT AND HAMRICK

[Passed March 11, 2022; in effect from passage.]

AN ACT to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §22C-1-6a, relating generally to additional powers of the West Virginia Water Development Authority; providing for the creation and administration of the Economic Enhancement Grant Fund; establishing sources of revenue for the fund; allowing administration costs; establishing a matching grant subaccount; establishing an enhancement grant subaccount; providing purposes for the fund and the subaccounts; providing for the participation of the West Virginia Infrastructure and Jobs Development Council, the West Virginia Department of Economic Development and the Secretary of Tourism; authorizing the Water Development Authority to enter into certain grant agreements; and requiring audit process and report to the Legislature.

Be it enacted by the Legislature of West Virginia:

ARTICLE 1. WATER DEVELOPMENT AUTHORITY.

§22C-1-6a. Additional powers of the West Virginia Water Development Authority; Creation of Economic Enhancement Grant Fund.

(a) The Water Development Authority shall create and establish a special fund of moneys made available by appropriations, grants, contributions or other sources to be known as the West Virginia Economic Enhancement Grant Fund. This fund shall be governed, administered and accounted for by the directors, officers and management staff of the Water Development Authority as a special program account separate and distinct from any other money, fund or funds owned and/or managed by the Water Development Authority. The Economic Enhancement Grant Fund shall consist of subaccounts as deemed necessary by the Water Development Authority for the deposit of any appropriations, grants, gifts, contributions or other moneys received by the Economic Enhancement Grant Fund from any source, public or private, and all income earned on moneys held in the Economic Enhancement Grant Fund. Amounts in the Economic Enhancement Grant Fund shall be administered by the Water Development Authority separate and apart from its other assets and programs. Amounts in the Economic Enhancement Grant Fund may not be

transferred to any other fund or account or used for the payment of any other programs of the Water Development Authority except the Water Development Authority may use funds in the Economic Enhancement Grant Fund to reimburse itself for any administration costs incurred by it. Pending distribution of any money in the Economic Enhancement Grant Fund the Water Development Authority shall invest and reinvest the money subject to the limitations of §22C-1-15 of this code.

(b) The Water Development Authority shall establish the Matching Grant Subaccount in the Economic Enhancement Grant Fund to be expended to provide the local or state match for any federal or other programs that require a match for projects and infrastructure projects as defined in §31-15A-2 of this code and where the commitment of the matching funds is required to be made and submitted with the application for the federal or other grant. Upon receipt of a recommendation from the West Virginia Infrastructure and Jobs Development Council and/or the West Virginia Department of Economic Development, the Water Development Authority shall review the application of a governmental agency or not-for-profit and if the governmental agency or not-for-profit is eligible for the federal or other matching grant funding, set aside moneys in the subaccount and provide a written binding commitment to the governmental agency or not-for-profit to submit with its application. If the federal or other programs subsequently approve funding to the governmental agency or not-for-profit, the Water Development Authority shall enter into a grant agreement with the governmental agency or not-for-profit providing the grant funding if the governmental agency or not-for-profit is in compliance with §12-4-14 of this code. The Water Development Authority shall disperse funds under the grant agreement from time to time to comply with the terms of the other funding sources.

(c) The Water Development Authority shall establish the Enhancement Grant Subaccount in the Economic Enhancement Grant Fund to be expended as grants to governmental agencies or not-for-profits to cover all or a portion of the costs of projects or infrastructure projects as defined in §31-15A-2 of this code and more specifically:

(1) To cover the cost of bid overruns for projects and infrastructure projects approved by the West Virginia Infrastructure and Jobs Development Council;

(2) To cover all or a portion of the costs of extending or expanding water, stormwater and/or wastewater service to enhance economic development and/or tourism when recommended by the Secretary of Commerce, the Secretary of Economic Development and/or the Secretary of Tourism;

(3) To cover the costs of facilitating the merger and/or consolidation of water or wastewater providers where all parties to the proposed merger make joint applications to the West Virginia Infrastructure and Jobs Development Council;

(4) To cover the cost of water, stormwater and/or wastewater projects for governmental agencies where the combined rates for water, stormwater and wastewater exceed 1.5% of the governmental agency's Median Household Income;

(5) To cover the startup costs for governmental utilities that are providing or extending service to unserved areas of the State;

(6) To provide a commitment to cover the difference between the cost of funded projects and the updated cost estimate, and when the project is bid, to provide a grant for the dollar difference between the committed funding and the bid results; and

(7) To cover all or a portion of the infrastructure projects to enhance economic development and/or tourism when recommended by the Secretary of Commerce, the Secretary of Economic Development and/or the Secretary of Tourism.

(d) The Water Development Authority is hereby authorized to enter into grant agreements with governmental agencies and not-for-profits to evidence the grant which agreements shall include the following provisions:

(1) The estimated cost of the project or infrastructure project, the amount of the grant and the other funding sources;

(2) The specific purpose for which the grant proceeds shall be expended and the conditions and procedures for distributing the grant proceeds;

(3) The duties and obligations imposed regarding the acquisition, construction, improvement, or operation of the project or infrastructure project; and

(4) The agreement of the governmental agency or not-for-profit to comply with all applicable federal and state laws, and all rules and regulations issued or imposed by the Water Development Authority or other state, federal, or local bodies regarding the acquisition, construction, improvement, or operation of the infrastructure project or project.

(e) The Water Development Authority shall cause an annual audit to be made by an independent certified public accountant of its books, accounts and records with respect to the system and distributions and all matters relating to the financial application of the Economic Enhancement Grant Fund including all subaccounts therein. The Water Development Authority shall provide copies of the audit report to the Legislature.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

.....
Chairman, House Committee

.....
Chairman, Senate Committee

Originating in the House.

In effect from passage.

.....
Clerk of the House of Delegates

.....
Clerk of the Senate

.....
Speaker of the House of Delegates

.....
President of the Senate

_____

The within ..... this the.....

day of ....., 2022.

.....
Governor

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY
ECONOMIC ENHANCEMENT GRANT GUIDANCE

BACKGROUND

On March 12, 2022, the West Virginia Legislature enacted HB4566 which amended the West Virginia Water Development Authority statute, WV Code 22C-1 et seq (the "WVWDA Act") by adding a new section 6a ("Section 6a"). Section 6a authorized the West Virginia Water Development Authority (the "WDA") to create the West Virginia Economic Enhancement Grant Fund (the "EEG Fund"). On April 25, 2022, the Legislature passed HB217 which appropriated $250,000,000 to the EEG Fund from certain American Rescue Plan Act ("ARPA") funds received by the State of West Virginia ("HB217"). The WDA placed the appropriation in the HB217 Enhancement Grant Subaccount (the "HB217 Subaccount").

ELIGIBILITY

The following requirements must be met for a Project Sponsor to be eligible to receive a grant from the HB217 Subaccount:

1) Project Sponsor must be a governmental agency or a not-for-profit organization;

2) Proposed project must qualify as a project or infrastructure project under WV Code 31-15A-2;

3) Proposed project must qualify for funding under the ARPA guidelines and procured using the Uniform Guidance (2 CFR 200.318-327);

4) Proposed project must be determined to be able to be under contract by December 31, 2024, and have grant money expended by December 31, 2026;

5) Project Sponsors must be eligible to receive a State grant under WV Code 12-4-14; and

6) The Project Sponsor must have received a funding recommendation from the West Virginia Infrastructure and Jobs Development Council (the "IJDC").

APPLICATIONS

The Project Sponsor shall complete the appropriate application and email it to the WDA at wda@wvwda.org for the requested funding type:

1) Section 6a(b) Matching Grant
2) Section 6a(c)(1) Bid Overrun Grant
3) Section 6a(c)(2)-(7) Other Grant.

The WDA staff shall review applications and complete a funding sheet and when necessary request additional information.

1.) Matching Grant. If a Project Sponsor is eligible for a federal or other program grant that requires a match and when that commitment is required to be submitted with the application, the WDA upon receipt of a recommendation from the IJDC or West Virginia Department of Economic Development ("WV DED") shall consider the request and if approved, set aside money in the Matching Grant Subaccount and provide the binding commitment. If the Project Sponsor is awarded the federal or other grant, the WDA shall enter into a grant agreement for the disbursement of the grant. If the Project Sponsor does not receive the federal or other grant, the binding commitment will be rescinded.

2.) Bid Overrun. If the Project Sponsor has a bid overrun on a project approved by the IJDC, the Project Sponsor shall apply for a bid overrun grant on the appropriate application and provide the information with respect to the pre-bid funding, other funding being sought and the amount of bid overrun grant being requested. The Executive Director of the WDA in consultation with the Chair of the Water Development Board ("Board") will initially be authorized to approve bid overrun grants up to $10,000,000. Bid overrun grant requests in excess of $10,000,000 shall be considered by the Board.

3.) Other Grants Section 6a(c)(2)-(7). The Project Sponsor shall complete the appropriate application and designate the section of funding being requested. WDA staff shall request any additional information necessary to complete the review. Staff shall present the application at the next Board meeting.

APPROVAL PROCEEDINGS

The Board shall meet as needed to review WDA EEGF applications. In reviewing the applications, the Board will give priority to projects that include loans, contributions of local funding and/or high user rates. The Board may approve an application, reject an application or request additional information. If approved, the Board shall authorize WDA staff to enter into a grant agreement in compliance with Section 6a(d) and at such time as all other funding has been awarded.

Charles Town Utility Board

Analysis of Debt Service Coverage - MADS Coverage Including 2015 A&B Refunding,
Collection System Project Proposed Financing, and Renewal and Replacement Project Proposed Financing

For the year ended June 30, 2021

As of March 21, 2022

	Water Department	Sewer Department	Total
Revenues	$ 4,945,888	$ 6,762,143	$ 11,708,031
Modification to Revenues:			
Interest	(7,960)	(10,632)	(18,592)
Gain on Sale of Assets	(47,562)	(50,749)	(98,311)
CIF & CAC Revenues	(253,075)	(470,499)	(723,574)
Operating Revenues	4,637,291	6,230,263	10,867,554
Expenses	4,458,172	6,236,850	10,695,022
Modifications to Expenses:			
Depreciation and amortization expense	(1,250,724)	(1,817,881)	(3,068,605)
Bond issuance costs	(113,021)	(175,063)	(288,085)
Loss on disposition of assets	-	(559,000)	(559,000)
Pension expense	(67,417)	(66,904)	(134,321)
Pension contractual payments	92,315	91,613	183,928
OPEB expense	58,378	54,840	113,218
OPEB contractual payments	28,215	26,505	54,720
Interest on Long Term Debt	(486,290)	(345,402)	(831,692)
Administrative fees on Collection System Project Financing	-	4,192	4,192
Operating Expenses Net of Non-cash Items and Interest Expense	2,719,627	3,449,750	6,169,377
Operating Income Available for Debt Service	1,917,664	2,780,513	4,698,177
Debt Service Expenditures:			
Principal Payments on Bond Issues	1,008,349	1,373,154	2,381,503
Interest Payments on Bond Issues	375,481	552,531	928,012
Total Debt Service Expenditures	1,383,830	1,925,685	3,309,515
Operating Income Available After Bond Debt Service	$ 533,834	$ 854,828	$ 1,388,662
Debt Service Coverage Ratio	138.58%	144.39%	141.96%
Required Debt Service Coverage Ratio	115.00%	115.00%	115.00%
Amount of Coverage in Excess of 130%	$ 118,685	$ 277,123	$ 395,807

Observations:
Monthly customer revenues have increased by approximately $ 8,000 per month (July-Oct.) in FY'22.
Although a combined system, MADS calculated separately for water and sewer (done for cost of service purposes).
Refunding is expected to be accomplished in early 2022.

Proposed collection system project financing:		
Internal funds	$ 1,300,000	CIFS
CWSRF	500,000	Green Grant
CWSRF	2,844,984	Loan, 40 years, .25% interest, .25% administrative fee
CWSRF	216,016	Loan, 20 years, 2.50% interest, .50% administrative fee
Total project financing	$ 4,861,000	

Proposed renewal and replacement project financing:	
Internal funds	**$ 1,995,426**
Public Bond Issue ($ 8,085,000 construction fund)	**8,540,000**
Total project probable cost including $ 527,576 of project contingency (pervasive uncertainties COVID)	**$ 10,535,426**

Prepared by J.C. Kunkle and Associates, A.C.
6/15/2022 9:18 AM
S:\John_Excel\Charles Town Utility Board - Analysis of Debt and Debt Service - 2021 Project Pro Forma

Charles Town Utility Board

Analysis of Debt Service Coverage - MADS Coverage Including 2015 A&B Refunding,
Collection System Project Proposed Financing, and Renewal and Replacement Project Proposed Financing

For the year ended June 30, 2021

OPTION 1

6th Draft

As of June 14, 2022

	Water Department	Sewer Department	Total
Revenues	$ 4,945,888	$ 6,762,143	$ 11,708,031
Modification to Revenues:			
Interest	(7,960)	(10,632)	(18,592)
Gain on Sale of Assets	(47,562)	(50,749)	(98,311)
CIF & CAC Revenues	(253,075)	(470,499)	(723,574)
Operating Revenues	4,637,291	6,230,263	10,867,554
Expenses	4,458,172	6,236,850	10,695,022
Modifications to Expenses:			
Depreciation and amortization expense	(1,250,724)	(1,817,881)	(3,068,605)
Bond issuance costs	(113,021)	(175,063)	(288,085)
Loss on disposition of assets	-	(559,000)	(559,000)
Pension expense	(67,417)	(66,904)	(134,321)
Pension contractual payments	92,315	91,613	183,928
OPEB expense	58,378	54,840	113,218
OPEB contractual payments	28,215	26,505	54,720
Interest on Long Term Debt	(486,290)	(345,402)	(831,692)
Administrative fees on Collection System Project Financing	-	4,192	4,192
Operating Expenses Net of Non-cash Items and Interest Expense	2,719,627	3,449,750	6,169,377
Operating Income Available for Debt Service	1,917,664	2,780,513	4,698,177
Debt Service Expenditures:			
Principal Payments on Bond Issues	1,008,349	1,422,886	2,431,235
Interest Payments on Bond Issues	375,481	659,886	1,035,367
Total Debt Service Expenditures	1,383,830	2,082,772	3,466,602
Operating Income Available After Bond Debt Service	$ 533,834	$ 697,741	$ 1,231,575
Debt Service Coverage Ratio	138.58%	133.50%	135.53%
Required Debt Service Coverage Ratio	115.00%	115.00%	115.00%
Amount of Coverage in Excess of 130%	$ 118,685	$ 72,910	$ 191,594

Observations:
Monthly customer revenues have increased by approximately $ 8,000 per month (July-Oct.) in FY'22.
Although a combined system, MADS calculated separately for water and sewer (done for cost of service purposes).
Refunding is expected to be accomplished in early 2022.

Proposed collection system project financing:		
Internal funds	$ 1,300,000	CIFS
CWSRF	500,000	Green Grant
CWSRF	2,844,984	Loan, 40 years, .25% interest, .25% administrative fee
CWSRF	216,016	Loan, 20 years, 2.50% interest, .50% administrative fee
Total project financing	$ 4,861,000	
Proposed renewal and replacement project financing:		
Internal funds	$ 2,268,228	
Public Bond Issue ($ 9,414,054 construction fund)	9,855,000	
Total project probable cost.	$ 12,123,228	

Prepared by J.C. Kunkle and Associates, A.C.
6/14/2022 3:19 PM
S:\John_Excel\Charles Town Utility Board - Analysis of Debt and Debt Service - 2021 Project Pro Forma - Option 1

Charles Town Utility Board

Analysis of Debt Service Coverage - MADS Coverage Including 2015 A&B Refunding,
Collection System Project Proposed Financing, and Renewal and Replacement Project Proposed Financing

For the year ended June 30, 2021

OPTION 2

6th Draft

As of June 14, 2022

	Water Department	Sewer Department	Total
Revenues	$ 4,945,888	$ 6,762,143	$ 11,708,031
Modification to Revenues:			
Interest	(7,960)	(10,632)	(18,592)
Gain on Sale of Assets	(47,562)	(50,749)	(98,311)
CIF & CAC Revenues	(253,075)	(470,499)	(723,574)
Operating Revenues	4,637,291	6,230,263	10,867,554
Expenses	4,458,172	6,236,850	10,695,022
Modifications to Expenses:			
Depreciation and amortization expense	(1,250,724)	(1,817,881)	(3,068,605)
Bond issuance costs	(113,021)	(175,063)	(288,085)
Loss on disposition of assets	-	(559,000)	(559,000)
Pension expense	(67,417)	(66,904)	(134,321)
Pension contractual payments	92,315	91,613	183,928
OPEB expense	58,378	54,840	113,218
OPEB contractual payments	28,215	26,505	54,720
Interest on Long Term Debt	(486,290)	(345,402)	(831,692)
Administrative fees on Collection System Project Financing	-	4,192	4,192
Operating Expenses Net of Non-cash Items and Interest Expense	2,719,627	3,449,750	6,169,377
Operating Income Available for Debt Service	1,917,664	2,780,513	4,698,177
Debt Service Expenditures:			
Principal Payments on Bond Issues	1,008,349	1,383,154	2,391,503
Interest Payments on Bond Issues	375,481	693,456	1,068,937
Total Debt Service Expenditures	1,383,830	2,076,610	3,460,440
Operating Income Available After Bond Debt Service	$ 533,834	$ 703,903	$ 1,237,737
Debt Service Coverage Ratio	138.58%	133.90%	135.77%
Required Debt Service Coverage Ratio	115.00%	115.00%	115.00%
Amount of Coverage in Excess of 130%	$ 118,685	$ 80,920	$ 199,605

Observations:
Monthly customer revenues have increased by approximately $ 8,000 per month (July-Oct.) in FY'22.
Although a combined system, MADS calculated separately for water and sewer (done for cost of service purposes).
Refunding is expected to be accomplished in early 2022.

Proposed collection system project financing:

Internal funds	$ 1,300,000	CIFS
CWSRF	500,000	Green Grant
CWSRF	2,844,984	Loan, 40 years, .25% interest, .25% administrative fee
CWSRF	216,016	Loan, 20 years, 2.50% interest, .50% administrative fee
Total project financing	$ 4,861,000	

Proposed renewal and replacement project financing:

Internal funds	$ 2,268,228
Public Bond Issue ($ 9,324,785 construction fund)	9,760,000
Total project probable cost.	$ 12,028,228

Prepared by J.C. Kunkle and Associates, A.C.
6/14/2022 3:00 PM
S:\John_Excel\Charles Town Utility Board - Analysis of Debt and Debt Service - 2021 Project Pro Forma - Option 2

Charles Town Utility Board

Analysis of Debt Service Coverage - MADS Coverage Including 2015 A&B Refunding,
Collection System Project Proposed Financing, and Renewal and Replacement Project Proposed Financing

For the year ended June 30, 2021

BAN - $ 9,760,000 @ 3%

6th Draft
Page 5 of 5

As of June 14, 2022

	Water Department	Sewer Department	Total	BAN Interest	BAN Residual Cash Flow
Revenues	$ 4,945,888	$ 6,762,143	$ 11,708,031		
Modification to Revenues:					
Interest	(7,960)	(10,632)	(18,592)		
Gain on Sale of Assets	(47,562)	(50,749)	(98,311)		
CIF & CAC Revenues	(253,075)	(470,499)	(723,574)		
Operating Revenues	4,637,291	6,230,263	10,867,554		
Expenses	4,458,172	6,236,850	10,695,022		
Modifications to Expenses:					
Depreciation and amortization expense	(1,250,724)	(1,817,881)	(3,068,605)		
Bond issuance costs	(113,021)	(175,063)	(288,085)		
Loss on disposition of assets	-	(559,000)	(559,000)		
Pension expense	(67,417)	(66,904)	(134,321)		
Pension contractual payments	92,315	91,613	183,928		
OPEB expense	58,378	54,840	113,218		
OPEB contractual payments	28,215	26,505	54,720		
Interest on Long Term Debt	(486,290)	(345,402)	(831,692)		
Administrative fees on Collection System Project Financing	-	4,192	4,192		
Operating Expenses Net of Non-cash Items and Interest Expense	2,719,627	3,449,750	6,169,377		
Operating Income Available for Debt Service	1,917,664	2,780,513	4,698,177		
Debt Service Expenditures:					
Principal Payments on Bond Issues	1,008,349	1,373,154	2,381,503		
Interest Payments on Bond Issues	375,481	552,531	928,012		
Total Debt Service Expenditures	1,383,830	1,925,685	3,309,515	(292,800)	$ 1,095,862
Operating Income Available After Bond Debt Service	$ 533,834	$ 854,828	$ 1,388,662		
Debt Service Coverage Ratio	138.58%	144.39%	141.96%		
Required Debt Service Coverage Ratio	115.00%	115.00%	115.00%		
Amount of Coverage in Excess of 130%	$ 118,685	$ 277,123	$ 395,807		

Observations:
Monthly customer revenues have increased by approximately $ 8,000 per month (July-Oct.) in FY'22.
Although a combined system, MADS calculated separately for water and sewer (done for cost of service purposes).
Refunding is expected to be accomplished in early 2022.

Proposed collection system project financing:

Internal funds	$ 1,300,000	CIFS
CWSRF	500,000	Green Grant
CWSRF	2,844,984	Loan, 40 years, .25% interest, .25% administrative fee
CWSRF	216,016	Loan, 20 years, 2.50% interest, .50% administrative fee
Total project financing	$ 4,861,000	

Proposed renewal and replacement project financing:

Internal funds	**$ 2,268,228**
Public Bond Issue ($ 9,324,785 construction fund)	**9,760,000**
Total project probable cost.	**$ 12,028,228**

Charles Town Utility Board

Analysis of Debt Service Coverage - MADS Coverage Including 2015 A&B Refunding,
Collection System Project Proposed Financing, and Renewal and Replacement Project Proposed Financing

For the year ended June 30, 2021

OPTION 3 (FOR INTERNAL INFORMATIONAL PURPOSES ONLY)

6th Draft

As of June 14, 2022

	Water Department	Sewer Department	Total
Revenues	$ 4,945,888	$ 6,762,143	$ 11,708,031
Modification to Revenues:			
Interest	(7,960)	(10,632)	(18,592)
Gain on Sale of Assets	(47,562)	(50,749)	(98,311)
CIF & CAC Revenues	(253,075)	(470,499)	(723,574)
Operating Revenues	4,637,291	6,230,263	10,867,554
Expenses	4,458,172	6,236,850	10,695,022
Modifications to Expenses:			
Depreciation and amortization expense	(1,250,724)	(1,817,881)	(3,068,605)
Bond issuance costs	(113,021)	(175,063)	(288,085)
Loss on disposition of assets	-	(559,000)	(559,000)
Pension expense	(67,417)	(66,904)	(134,321)
Pension contractual payments	92,315	91,613	183,928
OPEB expense	58,378	54,840	113,218
OPEB contractual payments	28,215	26,505	54,720
Interest on Long Term Debt	(486,290)	(345,402)	(831,692)
Administrative fees on Collection System Project Financing	-	4,192	4,192
Operating Expenses Net of Non-cash Items and Interest Expense	2,719,627	3,449,750	6,169,377
Operating Income Available for Debt Service	1,917,664	2,780,513	4,698,177
Debt Service Expenditures:			
Principal Payments on Bond Issues	1,008,349	1,358,751	2,367,100
Interest Payments on Bond Issues	375,481	694,218	1,069,699
Total Debt Service Expenditures	1,383,830	2,052,969	3,436,799
Operating Income Available After Bond Debt Service	$ 533,834	$ 727,544	$ 1,261,378
Debt Service Coverage Ratio	138.58%	135.44%	136.70%
Required Debt Service Coverage Ratio	115.00%	115.00%	115.00%
Amount of Coverage in Excess of 130%	$ 118,685	$ 111,653	$ 230,338

Observations:
Monthly customer revenues have increased by approximately $ 8,000 per month (July-Oct.) in FY'22.
Although a combined system, MADS calculated separately for water and sewer (done for cost of service purposes).
Refunding is expected to be accomplished in early 2022.

Proposed collection system project financing:		
Internal funds	$ 1,300,000	CIFS
CWSRF	500,000	Green Grant
CWSRF	2,844,984	Loan, 40 years, .25% interest, .25% administrative fee
CWSRF	216,016	Loan, 20 years, 2.50% interest, .50% administrative fee
Total project financing	$ 4,861,000	

Proposed renewal and replacement project financing:	
Internal funds	**$ 2,268,228**
Public Bond Issue ($ 8,958,518 construction fund)	**9,390,000**
Total project probable cost.	**$ 11,658,228**

Prepared by J.C. Kunkle and Associates, A.C.
6/15/2022 9:17 AM
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