TOWN OF MARLINTON

Marlinton Town Council
March 24, 2025
Special Meeting Minutes

Location: Municipal Building Auditorium with Zoom and call-in options.

Mayor Sam Felton called the meeting to order at 6:00 p.m.

The Mayor led the Council and audience in the Pledge of Allegiance.

The Recorder called the roll.

Present:	Sam Felton, Mayor	Mary K. Clendenen, Recorder
	Tina Barkley	Tom Miller
	Olivia Dean	Joe Smith
	Scott Gibb (via Zoom)	
Absent:	None	

1. **Discuss and/or Act on Second Reading of Proposed Bond Ordinance authorizing the issuance of not more than $800,000 in aggregate principal amount of combined waterworks and sewerage system Design Revenue Bonds, Series 2025 A (West Virginia CWSRF Program); not more than $3,750,000 in aggregate principal amount of combined waterworks and sewerage system Revenue Bonds, Series 2025 B (West Virginia CWSRF Program/Principal Forgiveness); and not more than $6,325,000 in aggregate principal amount of combined waterworks and sewerage system Revenue Bonds, Series 2025 C (West Virginia CWSRF Program), collectively the "Series 2025 Bonds". The Series 2025 Bonds will be issued in three series, the first of which Series 2025 A Bonds will be used to (i) to pay a portion of the costs of design, and other pre-construction activities of certain additions, betterments and improvements to the existing public sewerage system of the issuer; and (ii) to pay costs of issuance and related costs. The Series 2025 Bonds are payable solely from revenues to be derived from the ownership and operation of the combined waterworks and sewerage system of the Town.**

   Item #1 was rescheduled for the April 7, 2025 Regular Council Meeting. No action was taken at this meeting.

2. **Discuss and/or Act on Second Reading of a Proposed Ordinance providing for monthly billing of rates, charges and fees for sewer services, and providing for increased rates, charges and fees for sewer services for all customers of the municipally owned and operated sewer utility of the Town of Marlinton, Pocahontas County, West Virginia. The increase is necessary for the payment of system operations and debt service in order to ensure that continuous, safe and adequate sewer service is provided to all sewer customers.**

   Chase Riley and Fred Hypes, of Thrasher Engineering, gave a presentation on the water, sewer, and stormwater upgrades projects, describing the condition of the current systems and the needed upgrades. Some of the system in downtown is over 100 years old, and there is no dedicated stormwater system. Mayor Felton said the Town has paid $300,000 in fines to the Department of Environmental Protection since 2015 for violations of its NPDES sewer permit. The DEP has

instructed the Town to submit a Plan of Corrective Action. The mayor and engineers believe the DEP has not recently issued any additional fines because they are aware of the plans being made by the Town to upgrade the system.

Cassandra Lawson and John Tuggle, of Region IV Planning and Development Council, were also in attendance, along with Susan Riggs, of the Spilman, Thomas & Battle Law Firm, who is legal counsel for the Town on this project.

Ms. Lawson summarized the financial need for the rate increases and reviewed the funding to be received from grants and loans. She also provided a list of answers to questions that were asked by the public at the previous meeting. She said the Town is slated to receive all grants that are available and the best possible loan terms to fund these projects. Region IV has worked to obtain the best possible funding scenario for the Town. (Projects Funding Overview and Loan/Grant Programs attached.) The initial fee increase to the monthly water bill will be $1.96 per month for the minimum user. The initial sewer fee increase will be $3.62 per month for the minimum user. At completion of all the projects, another fee increase will need to be implemented so the Town can pay the expenses for the projects. The final rate for minimum water usage will be $46.96 per month and the minimum sewer usage rate will be $44.14. Ms. Lawson said the last water rate increase in Marlinton was in 2017 and the last sewer rate increase was in 2021. Inflation has caused increases in operational costs, even without the required upgrades. All small communities are facing the challenge of paying for increased costs with a small number of households among which to divide the cost. Ms. Lawson stressed that the PSC will not allow the Town to borrow more money for the project than it has the means to repay. The Town must also justify the requested rates in its application in order to get them approved. She noted that the final rates will still be within $10 per month of the average rates for water and sewer in our region.

Mrs. Riggs stated that other communities across the state are being forced to raise water and sewer rates to comply with stricter DEP and Health Department regulations. She said towns must have safe and adequate water and sewer systems, and the cost to replace aging systems is increasing due to inflation.

Mr. Tuggle commented that all the communities in their region (Fayette, Nicholas, Pocahontas, Greenbrier, and Webster Counties) are losing population and facing the same challenges. His organization finds opportunities to assist those counties and communities. They have worked very hard to get 70% of this project funded by grants. It is unusual for a project of this magnitude to receive more than 50% grant funding, and he said if the Town Council does not seize this opportunity, it probably will not be available again. He concurred that the DEP would probably issue more fines if the Town stops moving forward with the upgrades.

Joe Smith commented that this has been a long-term project that began when he was the mayor several years ago. He said these projects take a long time to complete and these fee increases have been discussed many times over the past several years.

- Joe Smith moved that the Council approve the second reading of this ordinance. Scott Gibb seconded the motion. **The motion passed by a unanimous vote.**

3. **Discuss and/or Act on Second Reading of a Proposed Ordinance providing for monthly billing of rates, charges and fees for water services, and providing for increased rates, charges and fees for water services for all customers of the municipally owned and operated water utility of the Town of Marlinton, Pocahontas County, West Virginia. The increase is necessary for the payment of system**
operations and debt service in order to ensure that continuous, safe and adequate water service is provided to all water customers.

- Joe Smith moved that the Council approve the second reading of this ordinance. Scott Gibb seconded the motion. **The motion passed unanimously.**

Adjournment: As there was no further business, the Mayor adjourned the meeting at 7:33 p.m.

Sam Felton

Sam Felton, Mayor

Mary K. Clendenen

Mary K. Clendenen, Recorder

Marlinton Projects Funding Overview

Stormwater

HUD Community Development Block Grant – Mitigation $8,655,040 (100% grant funded)

Water

Infrastructure Jobs & Development Council $1,000,000
Drinking Water Treatment Revolving Fund Forgivable Loan $1,500,000
Drinking Water Treatment Revolving Fund Loan (.25%, .25 admin fee, 40 yrs) $3,069,400

Totaling $5,569,400 (44% grant funded)

Grant $2,500,000
Loan $3,069,400

Sewer

Clean Water State Revolving Fund Design Loan (1.75%, .25% admin fee, 30 yrs) $767,250
Clean Water State Revolving Fund Forgivable Loan $2,500,000
Clean Water State Revolving Fund Loan (.25%, .25% admin fee, 40 yrs) $4,213,396
Infrastructure Jobs & Development Council $1,000,000
U.S. Army Corps of Engineers $1,425,000
HUD Community Development Block Grant $3,000,000
Local Funds $269,354

Totaling $13,175,000 (60% grant funded)

Grant $7,925,000
Loan $5,250,000 (includes local funds)

All projects combined $27,399,440, grant $19,080,040 70%

In addition to the above, the Town was also awarded a $100,000.00 grant from the IJDC for repairs to the Second Avenue Pump Station in 2021.

Loan/Grant Programs

Drinking Water Treatment Revolving Fund (DWTRF/Water) & Clean Water State Revolving Fund (SRF/Sewer) Loan/Forgivable Loan Criteria

Loan:

The eligibility criterion for low interest loan consideration will be based upon 3,400 gallons of monthly water usage. The DEP will use this criterion to determine the interest rate on loans. The maximum allowable term of the loans will be determined using the following range of user rates and MHI data:

Less than 1.5% MHI: Terms will be based upon the 25-Bond Revenue Index. At BCL issuance, the agency will use the last published rate less 5 basis points (.05) for a 20-year term. At no point will the terms exceed 2.75% interest rate, .25% annual admin fee, 20-year term*

1.5% to 1.74% MHI: 1.75% interest rate, .25% annual admin fee, 21 - 30-year term

1.75% to 2.0% MHI: .75% interest rate, .25% annual admin fee, 21 - 30-year term

Greater than 2% MHI: .25% interest rate, .25% annual admin fee, 31 - 40-year term

The MHI data is derived from the 2020 census data published by the U.S. Department of Commerce, U.S. Census Bureau. Interest rates will not exceed 2.75%.

Forgivable Loan:

Additional subsidization eligibility will be on the following basis:

Income based upon % MHI – Based upon the 2020 Census data for 3,400 gallons of water usage.

MHI	Points
1.25% - 1.74%	20
1.75% - 1.99%	30
2.0% - 2.4%	40
2.5% or greater	50

Unemployment Data – As published by WorkForce West Virginia, the State's average unemployment rate was 4.0% in 2023. See Appendix E.

Locality's Unemployment Rate (UR)	Points
UR < West Virginia's UR	0
UR 0% - 2% above West Virginia's UR	10
UR > 2% above West Virginia's UR	20

Population Trends – Based upon the percentage change for the period from 2015 to 2020 (calendar years) by county as published by the 2020 Census.

Change in Population	Points
Greater than +2%	0
0 to +2%	10
Less than 0%	20

Consolidation and extensions to serve unserved areas and failing systems: 10 Points

Poverty Rate greater than or equal to 20% as found on the following Census site: 10 Points

Water: For applicants that receive at least 40 points, the project is eligible for the lesser of 50% of the total eligible DWTRF project costs or $1,000,000 in principal forgiveness. For applicants that receive at least 70 points, the project is eligible for the lesser of 100% of the total eligible DWTRF project costs or $1,500,000 in principal forgiveness.

Sewer: For applicants that receive at least 40 points, the project is eligible for the lesser of 50% of the total eligible CWSRF project costs or $1,500,000 in principal forgiveness. For applicants that receive at least 70 points, the project is eligible for the lesser of 100% of the total eligible CWSRF project costs or $2,000,000 in principal forgiveness.

West Virginia Infrastructure & Jobs Development Council (IJDC)
Loan & Grant Criteria

Loan:

When preparing pre-applications requesting Infrastructure Fund assistance, project sponsors with MHI's over 1.50% and under 2% should request terms of 2% and thirty years; and project sponsors with MHI's at or over 2% should request terms of 1% and forty years. Project sponsors with MHI's at or under 1.50% who cannot obtain commercial/public market funds on terms deemed reasonable by the Council should request terms of 3% and twenty years.

Grant:

Effective July 1, 2018, when preparing pre-applications requesting Infrastructure Fund grant assistance, project sponsors with MHI's of 1.50% to 1.99% should limit grant requests to not more than $500,000; and project sponsors with MHI's at 2% or higher should limit grant requests to not more than $1,000,000.

U.S. Department of Agriculture Rural Development (USDA)

Loan:

Loan rates change quarterly.

Current interest rates for 2nd quarter FY 2025, effective January 1, 2025.

Poverty: 2.500%
Intermediate: 3.250%
Market: 4.125%

Grant:

Subject to various factors and made on a case-by-case basis.

Other Grant Programs

Program	Notes
Abandoned Mine Lands (AML)	Eligibility based on pre 1977 mining (ineligible)
Appalachian Regional Commission (ARC)	Priority given to distressed counites; Pocahontas classified as At-Risk
Community Development Block Grant (CDBG)	Awarded
Congressionally Directed Spending Request (CDS/"Earmark")	Have applied for sewer for last four years
Economic Development Administration (EDA)	Demonstrated job creation, not strong proponent
U.S. Army Corps of Engineers (USCOE/USACE)	Awarded