

**REPORT OF THE
DEPARTMENT OF CORRECTIONS**

Status Report on the Town of Craigsville Wastewater Plant Construction

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 61

**COMMONWEALTH OF VIRGINIA
RICHMOND
2006**

October 10, 2006

The Honorable John W. Marshall
Secretary of Public Safety
1111 E. Broad Street, Third
Richmond, Virginia 23219

Re: Department of Corrections Status Report on the Town of Craigsville Wastewater Plant Construction.

Dear Secretary Marshall,

The 2006 Appropriation Act, Item 387-K directed the Department of Corrections to provide a report on the status of this project, the status of all federal and state grants and loans applicable to the project and the total estimated construction cost of the project.

As of this report date the Town of Craigsville is working with their Design Engineer and the Department of Environmental Quality to find the best feasible way to construct the new Wastewater Treatment Plant. A meeting is scheduled between the Department of Corrections, Town of Craigsville, Department of Environmental Quality and the Shenandoah Planning District Commission on December 6th 2006 to discuss the recommendations from the Design Engineer and Department of Environmental Quality.

The Town of Craigsville has applied for a USDA Rural Development grant in the amount of \$1,770,000 and loan in the amount of \$1,531,400. The Town of Craigsville has not yet applied for the \$2,400,000 zero-interest loan from the Department of Environmental Quality. This loan will be paid by the Department of Corrections in annual payments of \$120,000 for 20 years. The Town of Craigsville has not applied for the Water Quality Improvement Fund Grant in the amount of \$750,000. Once the Town of Craigsville and the Department of Environmental Quality decide on the best treatment method, the Department of Corrections will assist the Town of Craigsville, the County of Augusta, and the Shenandoah Planning District Commission in applying for this grant.

The total amount of potential funding sources identified for the Town of Craigsville's new Wastewater Plant is \$7,545,000. The Town of Craigsville has estimated the cost of the new treatment plant at \$8,000,000. Depending on the discharge limits the Department of Environmental Quality requires at the new treatment plant, the cost could go higher than the original \$8,000,000 estimate. At this point it is uncertain what the total cost for this project may be and therefore any additional funds needed for the completion of this project will be presented to the 2008 General Assembly.

Sincerely,

Gene M. Johnson

CC. The Honorable John H. Chichester, Chairman, Senate Finance Committee
The Honorable Vincent F. Callahan, Jr., Chairman, House Appropriations Committee
The Honorable Richard L. Fox, Mayor, Town of Craigsville