

Quarterly Status Report for the Quarter Ending December 31, 2022

Introduction

Significant progress was made in the month of December to move the Jackson water system forward towards a more stable, reliable, and safe drinking water system as highlighted in this quarterly report. These foundational steps set the stage for rapid implementation of the projects required to stabilize the system quickly as possible. The Christmas Water Crisis (described in detail herein) was a painful reminder of how fragile the system remains as it will for months or even years as we work to overcome decades of underinvestment.

It should be noted that all of this work was accomplished without any funding beyond the more than \$60,000 of my personal resources I fronted to get this process moving quickly – there was no time to wait for the slow process of funding by the Parties. Beyond using my personal money to get things moving, I leveraged my personal relationships to get contractors to start on my promise of future payment. I am grateful to all who responded so generously to this urgent need and my pleading requests.

The following report is organized in alignment with paragraph 16 of the Order.

Description of Projects and Activities

- Initial work to create an entity to accomplish the work required under the Stipulated Order (SO) was timely completed in December 2022.
 - A Mississippi corporation was created – JXN Water. All state and Federal requirements (tax ID number) were completed.
 - As required by the Order, the professional, operations and management (O&M), and capital improvement accounts were created; the Parties notified of their creation; and, the information for each account was provided to the Court under seal.
- Retained legal counsel.
- Retained accounting services.
- Retained a communications consultant.
- Retained financial advisor.
- Drafted and issued an RFP for engineering services and three national firms were selected from the responses received
- Drafted and issued an RFP for Distribution System Valve and Hydrant Assessment and issued notice of intent to award to Wachs Water.
- Solicited a proposal for assistance with billing and collection of past due accounts and selected Promise Pay.
- Solicited a proposal for assistance with identification of lead service lines and selected Blue Conduit.
- Completed Federal grant reimbursement training (6 hours).
- Attended 2 press conferences.
- Attended 3 community meetings/townhalls.
- Attended 2 City Council meetings.
- Met with Mississippi Public Service Commission.

- Met with City officials about personnel and equipment transition, funding transfers.
- Met with the Mississippi Community Foundation.
- Looked for new office space for the WSBA.
- Participated in multiple meetings regarding specific funding:
 - American Rescue Plan Act Funds (“ARPA”) – 2 meetings, including one with Hinds County officials
 - Army Corps Of Engineers Section 219 Funds – 2 meetings
 - EPA Community Grant Funds – 2 meetings
 - MS State Revolving Fund – 1 meeting
 - Safe Drinking Water Act Section 1442b funding – multiple meetings
- Participated in multiple interviews for local and national press.
- Led meetings with the water meter contractor.
- Met with Jacobs, a national O&M company for water systems, about setting long-term contract in place.
- Hired 3 people – Chief Operating Officer, Chief Experience Officer, Drinking Water Program Manager.
- Managed the Christmas Water Crisis response and recovery as follows:
 - On the evening of December 23rd and into the early morning hours of December 24th, a rapid drop in temperature (in excess of 40 degrees in 6 hours) caused a change in the thermocline that exists in the Ross Barnett Reservoir. As temperatures dropped, the density of the surface water became greater than the density of the deep water and the water turned over (the deep water rose to the surface and the surface water sank to the deep). The water quality of the two layers of water differs in many characteristics, some of which are critical to the water treatment process. Unfortunately, night operations were unable to take the appropriate corrective action fast enough to prevent turbidity to rise in the water in the plant and had to slow production to allow the treatment process to recover. This slow down in water production created lower pressures in the system. The result was a loss of nearly all water stored in the system.
 - During the day on December 24th, the treatment process was fully restored, but the lost storage, combined with high demand as customers left faucets open to prevent freezing in their homes and businesses, and the additional cold weather induced pipe breaks in the distribution system, could not be overcome and much of the City lost water pressure late on December 24th, with customers waking up to no water on Christmas morning. With a significant loss of pressure in the system, a precautionary boil water notice was issued covering the entire service area. Over the next several days, as pressures and storage could be recovered, the precautionary notice was lifted by zip code as many areas, especially those geographically closer to the treatment plants which had only suffered minor pressure losses of short duration. Required bacteria testing was performed prior to lifting the precautionary notice in any section of the service area.
 - A post event review of the causes and recovery found no single issue created the crisis, but it was a combination of events.

The first was lack of additional staff to assist over the holidays. Jacobs was providing staff augmentation through a Secondment[] Agreement but could not actually operate the plant due to liability issues. Through the month of December, Jacob’s staff members advised JXN Water operators (City employees under the authority and direction of the ITPM since the Effective Date of the Stipulated Order) based on their extensive operating experience. This arrangement had largely stabilized treatment and the plants in December up to the Christmas holidays. As all of the Jacobs’ team was from well beyond the Jackson area, the ITPM allowed them to go home for the holidays. As such, none were present to advise and assist during this climate- induced water quality change.

- The second factor was the lack of redundancy and flow-paced chemical controls as well as sensors at the water intake at the reservoir. Those system weaknesses were previously identified and are addressed in the priority project list included in the Stipulated Order.
 - The third factor was a failure to adequately communicate to the customers, the appropriate way to allow just a trickle of water flow from faucets to prevent freezing without using too much water.
- The Jackson water system will remain vulnerable and at risk of similar failures for several more months as the priority projects are implemented and the full operation and maintenance contract is put in place. This Christmas Water Crisis highlights the need to execute the work as required by the Special Order as quickly as possible. The following table lists status of the priority project list through December 31, 2022.

Priority Project List Status Update

Funding Source	PPL #	Description	Status Change Quarter Ending December 31, 2022
1442b	1	O&M Contract	Entered into Master Service Agreement and Secondment Agreement to meet immediate maintenance needs. Began discussions on long-term contract.
1442b	2	Winterization	Started review of work underway prior to effective date
1442b	3	Corrosion Control	Started review of work underway prior to effective date
Comm Grant	4	Alternative Water Response Plan	Meet with local contractor to begin planning; activated contractor to provide non-potable water during Christmas Water Crisis

SRF Omni	5.a.i	Distribution System Assessment/Modeling	
1442b	5.a.ii	Valve and Hydrant Assessment	Issued notice of intent to award contract
1442b	5.a.iv	Distribution System Leaks - Find and Fix	
ARPA (Hinds Co)	5.a.v	Distribution System Optimization - South Jackson	Assisted Hinds County in developing ARPA project with this scope of work
SRF Omni	5.a.v	Distribution System Optimization	
1442b	5.a.vii	Service Line Inventory	Selected Blue Conduit to do this with JXN Water
SRF Omni	5.a.vii	Corrosion Control Renewal	
1442b	6	System Stabilization and Sustainability Plan	
1442b	7	SCADA Improvements	
ARPA	8	OBC/JHF Chemical Feed Improvements	
Comm Grant	9	Chlorine System Replacement	
SRF Omni	10	Intake Structure Repair	
1442b	11	Plant Treatment Processes	
1442b	12	Sediment Assessment and Removal	
1442b	13	Resilient Power Plan	
ARPA	11.a,g	OBC Filters/Conventional and Membrane	
ARPA	11.b.	OBC Raw Water Pumps	
ARPA	11.g	JHF Filters	
ARPA	11.g	OBC Filter Mods	
SRF Omni (CD)	11.g	General Filter Repairs at JHF	
ARPA	11.i,j	JHF Pumps	

Summary of Delays Encountered or Anticipated

- None encountered. While they cannot be quantified yet, supply chain issues continue to be a potential delay in executing several of the projects included in the priority project list.

Any Modifications to the Priority Project List or Implementation Schedule

- None at this time.

Accounting of Expenditure from, Additions to, and Remaining Balance of the ITPM Professional Budget

- The ITPM budget will not be funded until the Quarter ending March 31, 2023. A full accounting will be provided with that quarterly report. It should be noted that no allowance was made during the development of the ITPM budget for needs related to the WSBA which was a last minute add to the Stipulated Order. A request for additional funding for this purpose will be made in the next quarter.

Projection of Work to be Performed In the Quarter Ending March 31, 2023

- Preliminary engineering will commence on several projects included on the priority project list in the next quarter.
- The Valve and Hydrant assessment work will begin in the next quarter.
- The distribution system “Find and Fix” program will be well underway in the next quarter, with as many as 50 leaks found and repaired in the next quarter.
- The Alternative Water Response Plan will be drafted but not finalized in the next quarter.
- Additional staff and contractors will be added to the JXN Water team.