

## JXN Water Investor Questions

- 1) Can JXN Water provide more granular data on assumptions for operating expense projections? How are FY24 actual expenses tracking vs. projections. **Results for Jan 1 – Jun 30 posted in Data Room.**
- 2) What was the \$90M used on that was awarded from the court case with Siemens? **JXN Water does not have that information.**
- 3) Any info on population estimates moving forward for the City of Jackson, MS? **No**
- 4) Collections, users, usage going back 5 years **Info is not available.**
- 5) What is the expected timeframe for the system to become “stabilized and sustainable”? What milestones must be met to reach that goal?

### Water

- **Complete the chemical feed project and chlorine conversion at OBC – 3/2026 (\$33M)**
- **Complete the conventional filter rehab at OBC – 12/2024 (\$12M)**
- **Complete the membrane cartridge replacement at OBC – 6/2025 (\$9M)**
- **Reduce water loss to less than 10% of production – close JH Fewell plant 12/2028 (\$50M)**
- **Various distribution system improvements 12/2027 (\$50M)**

### Sewer

- **Establish annual maintenance contract for cleaning and inspections 12/2024**
- **Establish FOG program 7/2025**
- **Complete capital repairs to Savanna Street STP 9/2027**
- **Complete capital repairs to Trahan STP 12/2030**

### Financial

- **Get all properties metered and in billing system 12/2024**
- **Increase collection rate to 95%+ 12/2026**
- **Maintain 90 days cash on hand 12/2027**
- **Generate adequate PAYGO for system renewal 12/2027**

- 6) Total estimated capex cost to complete priority project lists detailed in investor presentation? **Water projects can be completed within the \$450 M SRF funding already provided. Sewer projects up to \$100 M – of that JXN Water match estimated at \$25 M with balance from US Army Corps of Engineers WRDA Section 219 funding.**
- 7) Are there any plans for additional debt to complete the priority project list? **Not at this time.**
- 8) Status of wholesale customers? Are any actively exploring leaving the system? **No wholesale customers have expressed interest in leaving. The City of Byram has expressed interest in purchasing their portion of the system and operating on their own (Byram is not a wholesale customer – their citizens are served by JXN Water).**
- 9) Current level of non-revenue water loss? Leakage v. metering issues. **System continues to lose approximately 18 MGD, the equivalent of the current metered demand. Loss is 50%.**
- 10) What reserves are getting funded with estimated \$33MM at close? **The Operations and Maintenance Fund and the Contingent Fund.**
- 11) Can control of System operations be handed back to the City while the JXN Water debt is still outstanding? **The debt is tied to the system and will move to whatever successor entity assume management and operational control once the judicial oversight ends.**
- 12) What is the difference between the Siemens faulty meters and those that were installed in December 2023? **The Siemens meters had many issues, wires from meter to antennas, the**

**meters never successfully communicated with the meter management system, the meters were positive displacement meters with moving parts. The new system uses ultrasonic meters with no moving parts and a fixed antenna. The meters are successfully communicating with the billing system. The new meters were provided under a meters as a service agreement which covers all maintenance for 20 years.**

- 13) The Investor Presentation claimed that the Water System was operating as designed as of February 2024. Does that mean that the three water plants are operating at the Design Capacity shown on slide 10? **No. The system is operating as designed means the system is pumping water at lower pressures and volumes during the day, allowing the elevated storage tanks to float on the system and provide volume and flow during higher usage times. The system refills the tanks at night during lower demand hours.**
- 14) Is the Long-term Jacobs contract intended to span the final maturity of the proposed financing? **The long term contract is proposed with a 10-year term.**
- 15) How have the customer outreach efforts gone? Any surveys conducted or feedback from users? **A trust survey has been conducted 3 times to date. The latest was just received and has been posted to the investor data room. The survey is showing trust in the system is building over time.**
- 16) What is the proportion of customers who have not received bills or not paid in over a year? What proportion has JXN initiated severance? **Severance has been focused on a smaller number of high-value customers. Residential customer severance will begin by 3<sup>rd</sup> quarter 2024.**
- 17) What progress is being made to catch up on City audits, producing more comprehensive budget disclosure? **JXN Water does not have this information.**
- 18) How does ongoing litigation [SNAP] impact the proposed rate schedule? What is Plan B, Plan C? **Without the SNAP data, JXN Water cannot categorically place eligible customers into the SNAP rate classification. Customers must reach out to JXN Water to be placed in the SNAP rate classification, slowing down the uptake of customers in that classification. The result could be more severance efforts.**
- 19) What are JXN Water's guard rails / approval requirements on proposed rate hikes? **There are no guardrails beyond what the community can actually afford. JXN Water customers have much lower MHIs when compared to national averages. Rates must be affordable to allow JXN Water to be financially sustainable.**
- 20) Why does projection assume no further population loss? **JXN Water has no data on this.**
- 21) What information on connection/meter counts, volumes can you provide going back five years? **JXN Water does not have this data.**
- 22) What steps must the system take to achieve a 95% collection rate? What does the month-to-month collection rate on "good" meters look like? **An intense severance process is required and is being phased in.**
- 23) What leverage does JXN Water have to keep nearby towns in the sewer system while raising their wholesale rates? **The wholesale customers have no options short of building their own treatment plants which would be cost prohibitive.**
- 24) What steps has the system taken to-date to avoid loss of water pressure like what was experienced in 2022? **More than 1000 leaks have been repaired in the system, hundreds of valves have been opened or replaced, and the water plants major processes have been restored and maintained.**
- 25) Can we tie out on rate affordability metrics? **See Revenue Rate Memo in Data Room.**