

**The Consolidated Report of Activities  
for the quarter ended September 30, 2024**

For

The Interim Stipulated Order as Entered on November 29, 2022

By United States District Judge Henry T. Wingate

In Case Number 3:22-cv-00686-HTW-LGI

The United States v The City of Jackson, Mississippi

And

EPA Grant Number 84060101 SDWA Section 1442 (b)

October 31, 2024

Prepared by Edward "Ted" Henifin, P.E.

The Interim Third-Party Manager

Of the City of Jackson's Drinking Water System

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## Executive Summary

JXN Water continues to make significant progress in restoring the water system in Jackson. The water system is stable and providing water that meets all Safe Drinking Water Act standards to all customers all the time, except for brief periods of local interruptions during ongoing system repairs!

### EXTREMELY LOW LEVELS OF PFAS IN SOURCE WATERS

Per- and polyfluoroalkyl substances (PFAS) are a group of chemical compounds used in the manufacturing of various products. The United States Environmental Protection Agency (USEPA) has started to regulate these compounds in drinking water. JXN Water collected samples of raw water at both the OB Curtis Treatment Plant and the JH Fewell Treatment Plant and had the samples analyzed at a private laboratory using EPA Method 537.1 ***There were no detections of any PFAS compounds in samples taken during October 2023 and only a few PFAS in other testing at extremely low levels (below quantitation).***

### INDEPENDENT STUDY CONFIRMS WATER MEETS SAFE DRINKING WATER ACT STANDARDS

The Jackson Water Study (JWS) was conducted in May and June 2024 across the Jackson metropolitan area including Jackson, Byram, and Terry, MS. Funded by Yale's Institute for Biospheric Studies and Yale's Emerging Scholars Research Award. This study was performed independently and without any notice to or participation by JXN Water.

Using a combination of on-site and EPA-certified laboratory testing (conducted by Waypoint Analytical in Memphis, TN), 26 households and 4 businesses were sampled from a kitchen tap for 8 parameters [lead, copper, iron, zinc, chlorine, sulfate, pH, and total dissolved solids (TDS)].

***We were pleased (but not surprised) to learn that all water samples from these 30 private homes and businesses met EPA's MCLs for each parameter that was tested for: lead, copper, iron, zinc, chlorine, and sulfate.***

### LEAK REPAIRS HAVE REDUCED TOTAL WATER PRODUCTION

Total water production (delivered to the distribution system) has decreased by more than 28 percent in September 2024 (averaging 42 million gallons per day) from September 2023 (averaging 58 million gallons per day). ***The estimated value of eliminating that 13 million gallons per day of lost water is a savings of \$3.7 million per year in water production costs.*** Further savings in terms of equipment wear and tear (at the plant and in the distribution system) from being able to produce 25 percent less water daily would be in addition to the treatment cost savings. An additional savings of \$5 million per year will be realized when total demand drops to 25 million gallons per day and the JH Fewell plant can be taken offline. Work continues on leak identification and reduction as JXN Water moves to a target average daily production of less than 25 million gallons per day.

## LONG TERM CONTRACT EXECUTED WITH JACOBS

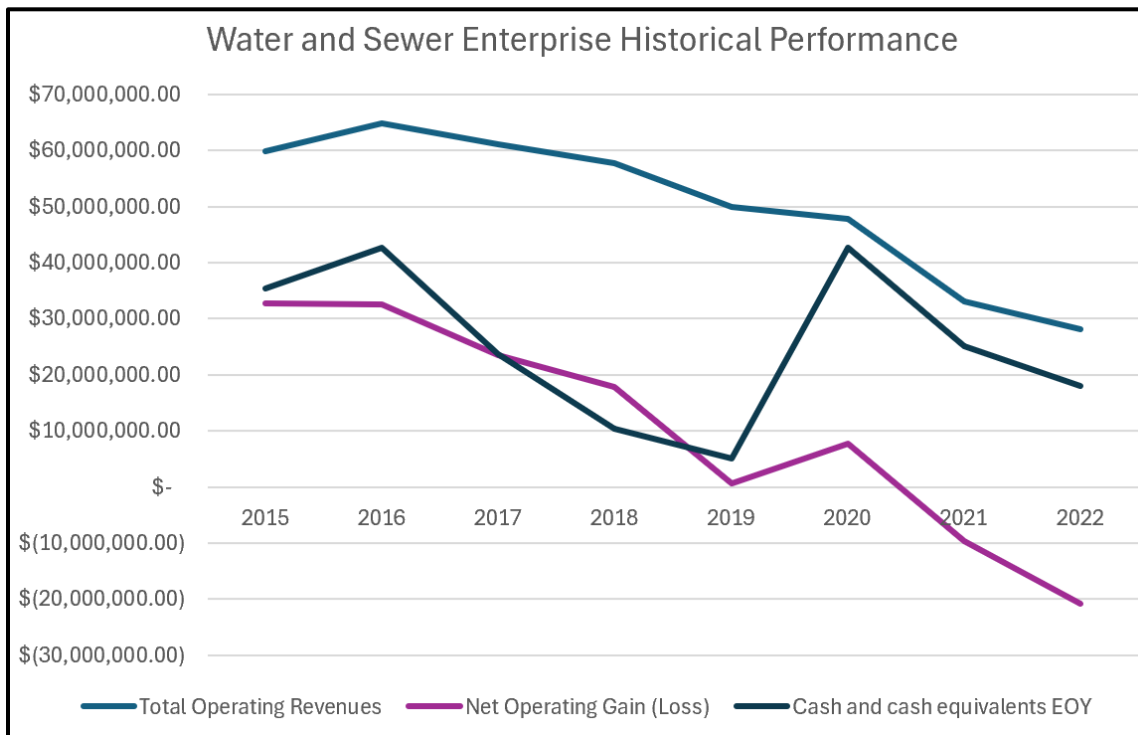
A 10-year contract for the Operation and Maintenance of the water treatment plants, wells, and storage tanks became effective on October 1, 2024. This contract ensures stable and sustainable water treatment for Jackson for the next decade in partnership with a global leader in water treatment.

## UTILITY RESULTS IMPROVING UNDER JUDICIAL CONTROL

Operational and financial performance have improved significantly since Judge Wingate issued his Interim Stipulated Order placing the water system under Federal judicial oversight.

### Financial Performance

In the first 12 months of JXN Water having control of the total enterprise (October 1, 2023, through September 30, 2024) local revenue collected totaled \$66,631,251.52. In comparison, the average revenue collected by the City of Jackson for the fiscal years 2018 through 2022 was only \$43,321,699.80 (as reported in the City's CAFR) with the most recent audited statement, FY 2022 reporting total revenues at \$28,179,810. The downward trend can be seen in the graph below:



**NOTE – Upward spike in 2020 end of year cash was due to receipt of \$59,829,532 in litigation settlement funds from Siemens.**

### Operational Performance Has Been Excellent

While operational performance metrics are more difficult to compare, citywide precautionary boil water notices are a good surrogate for overall performance (related to both treatment and distribution system operations). Over the same period (fiscal years 2018 through 2022) there were a total of 9 citywide boil water notices with a total duration of 129 days. In contrast, since JXN Water entered the first operating contract with Jacobs (February 20, 2023) there have been 2 city wide boil water notices with total duration of 2 days. One of those was due to a likely invalid e coli analysis and the notice was lifted the next day when a confirmation sample showed no bacteria was present. Notably, the boil water notice should not have been imposed until the result of the confirmation sample was available and in this case no such notice should have been imposed. The second one-day notice was due to an extended power outage at the OB Curtis plant due to a windstorm.

### Priority Project Status

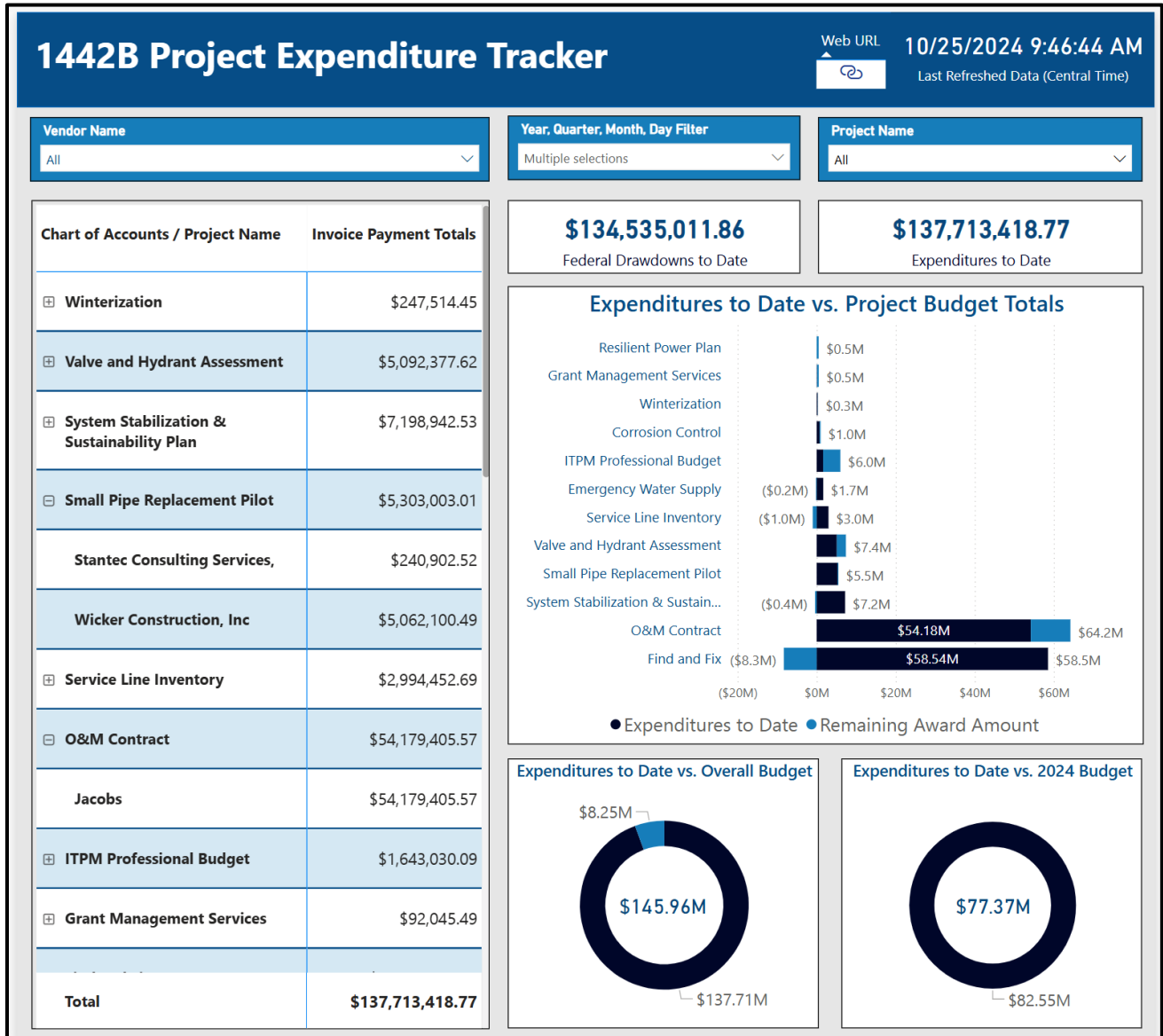
No.	Description	Est Comp	Comments
1	O&M Contract Phase 1	2/2023	COMPLETE
1	O&M Contract Phase 2	7/2024	COMPLETE – Effective Date 10/1/2024 through 9/30/2034
2	Winterization	12/2023	COMPLETE
3	Corrosion Control JHF	12/2023	COMPLETE
3	Corrosion Control OBC	12/2024	Negotiations with CMAR continue – projected added to existing OBC Filter Project with ARPA funding. New completion date to be submitted to EPA in Q4.
4	Emergency Water Supply	9/2027	COMPLETE - Available throughout ISO term
5	System Planning and Stabilization a. Distribution System b. System Stabilization and Sustainability Plan	12/2025	Kicked off Master Plan TO. Aligning work with MEMA BRIC grant to allow access to that funding for this PPL.
6	System Stabilization and Sustainability Plan		Combined with PPL 5
7	SCADA	12/2026	Design at 90%. Initiated CMAR work.
8	Chemical Systems	12/2024	SRF approval pending at end of Q3. CMAR has bid packages and ready to award. New completion date to be submitted to EPA in Q4.
9	Chlorine System at OBC – temporary improvements	2/2023	COMPLETE
9	Chlorine System at OBC – Replacement	12/2024	Included in design for PP 8
10	Intake Structure Repairs	12/2025	SRF project initiated

<b>11</b>	<b>Treatment Facilities</b>	<b>TBD</b>	<b>Assessment report draft complete 9/2023. Cost loaded schedule to be developed with PPL 5.</b>
<b>12</b>	<b>Sludge Assessment and Removal</b>	<b>TBD</b>	<b>Assessment completed with remote operated vehicle/camera. Removal to be included Corrosion Control Project.</b>
<b>13</b>	<b>Resilient Power Plan</b>	<b>12/2025</b>	<b>Assessment complete and technical memo reviewed and approved. Design initiated to be accomplished with SRF project. Long lead time on generators may extend completion date.</b>

## Audited Financial Statement

An unmodified opinion was provided. The audit report was completed on September 30, 2024. The full report is included as Appendix A of this report.

## Grant Financial Dashboard



### Minority Participation

<b>DBE/SWAM Spend to Date</b>	<b>\$</b>	<b>34,196,258.09</b>
	\$	-
Total JXN Water Spend to date	\$	237,923,364.99
Jacobs Contract	\$	54,084,509.42
Total JXN Water Spend w/o Jacobs	\$	183,838,855.57
MBE Percentage Total Spend		14.4%
MBE Percentage without Jacobs		18.6%

### Precautionary Boil Water Notices

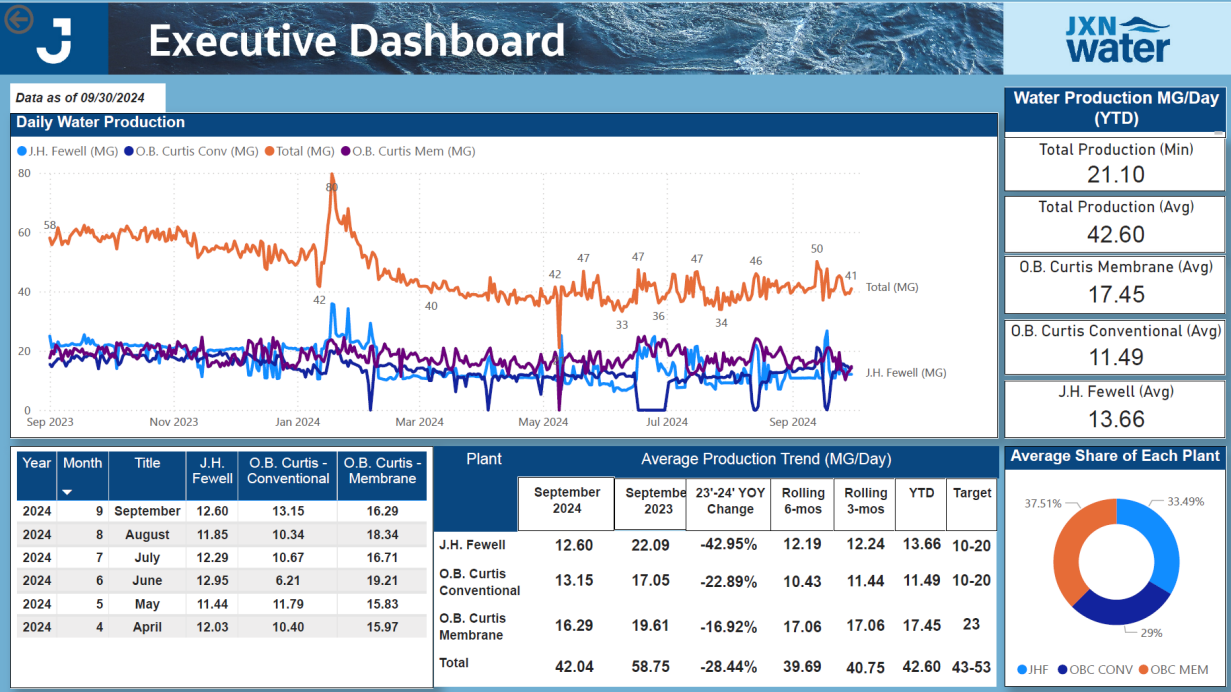
The continued accelerated efforts to find and fix legacy leaks in the system along with the long-overdue replacement of valves and hydrants and the occasional pipe break continue to require issuing many precautionary BWN each month. There were 125 issued during the quarter with an average of 64 connections impacted for 4 days each.

### Water Production (Total OBC and FHF)

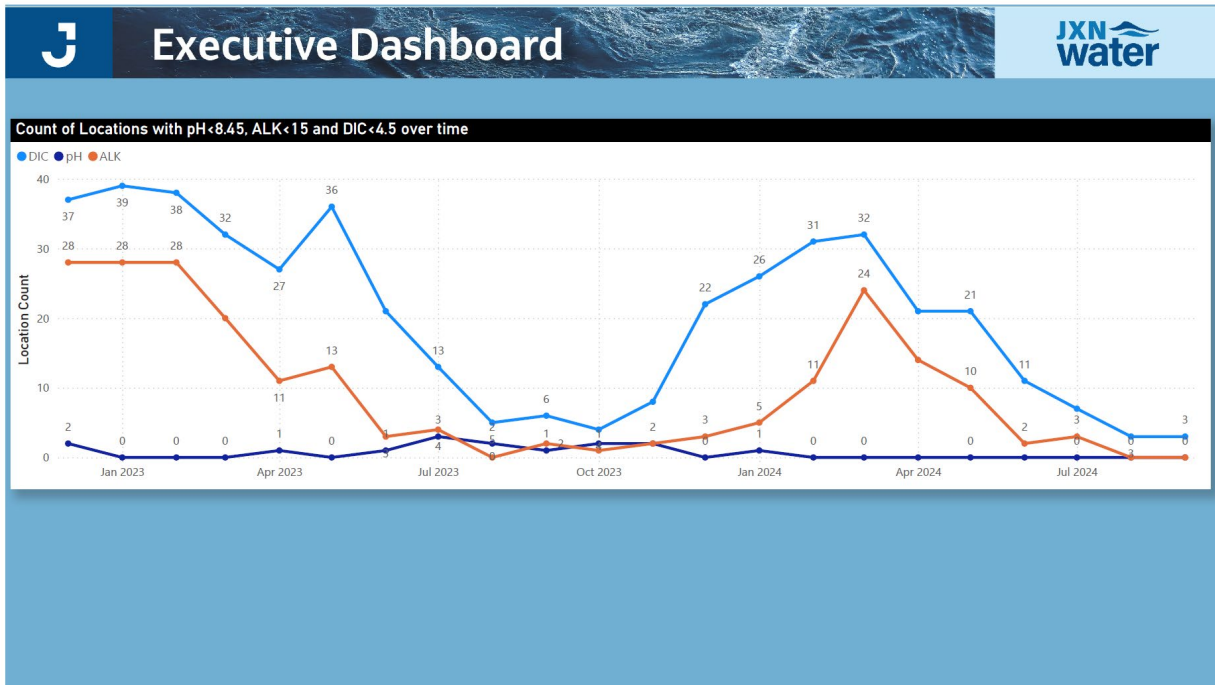
The dashboard below tracks water production (net pumped into distribution system) for the thirteen months from September 2023 through September 2024. A top priority for JXN Water has been to eliminate leaks throughout the system to reduce demand on the plants and wear on distribution system assets. The daily demand on the plants continues to trend down due to the many repairs accomplished in the system. September 2024 saw a total average daily demand of 42 MGD. Compared with September 2023's demand of 58 MGD, a year over year reduction of more than 28 percent. The rolling 6-month average was 39.69 as of the end of the quarter. This trend is very encouraging and will continue to be monitored and reported in future quarterly reports.

Based on metered flow, total demand on the JXN Water system is approximately 18 MGD. Once daily demand drops below 25 MGD, total water supply needs could be met with only the OB Curtis plant in operation. Evaluation of the feasibility of eliminating JHF continues.





### Water Quality Parameters (WQP) Compliance



## **Financial Challenges**

The Mississippi Department of Health led by the State Health Officer Dr. Daniel Edney, worked tirelessly with US EPA to identify a path forward using Drinking Water State Revolving Loan Fund resources provided by Congress to meet JXN Water cashflow challenges during this reporting period. On September 20, 2024, the Local Governments and Rural Water Systems Improvements Board approved an amended Intended Use Plan for JXN Water. As a result, essential funding needed to maintain operations will be received in early Q4.

## A. Purpose

The Interim Stipulated Order, Section 16.a. requires quarterly reporting to include the following components:

- i. A description of the projects and activities conducted during the reporting period to comply with the requirements of this Stipulated Order.
- ii. A summary of any delays encountered or anticipated that may affect the ITPM's performance or implementation of this Stipulated Order, including the Priority Project List, and any actions taken to address such delays.
- iii. Any modification to the Priority Project List or Implementation Schedule consistent with Paragraphs 15 (Priority Project List) and 18 (EPA Review).
- iv. An accounting of the expenditures from, additions to, and remaining balance of the ITPM Professional Budget.
- v. A projection of work to be performed pursuant to this Stipulated Order during the next or succeeding Quarter; and
- vi. In each Status Report filed in the month of January, except in the Status Report due January 31, 2023, an audited financial statement of the ITPM Professional Account, O&M Account, and Capital Improvements Account for the City's previous fiscal year. Any information revealing bank account numbers or constituting personally identifiable information shall be redacted.

The EPA Grant that funded the Interim Third-Party Manager also has quarterly reporting requirements that include the following:

- A comparison of actual accomplishments to the outputs/outcomes (these are deliverables, reports, milestones) established in the assistance agreement work plan for the period.
- The reasons why established outputs/outcomes were not met; and
- Additional pertinent information, including, when appropriate, analysis and explanation of cost overruns or high-unit costs.

As these reports have similar requirements, this consolidated report is intended to meet the purposes and requirements of both the ISO and the EPA Safe Drinking Water Act (SDWA) Section 1442 (b) grant.

## B. Introduction

On December 20, 2022, the US EPA awarded grant number 84054501 under the authority of the Safe Drinking Water Act, Section 1442 (b). The stated purpose of the grant is as follows:

***This agreement will provide support to the City of Jackson, MS, which is currently experiencing a drinking water emergency. The City entered into an Interim Stipulated Order with the Environmental Protection Agency and Department of Justice approved in Federal District Court on November 29, 2022, and this funding will be used to fulfill commitments established in the Order. The activities include establishing an Interim Third-Party Manager who will then hire support staff, enter into and maintain contracts to accomplish tasks required in the Order and***

***deemed necessary to address violations of the Safe Drinking Water Act. Anticipated deliverables include hiring staff, entering into and maintaining contracts allowing for proper operations and maintenance of the system. Expected outcomes include supporting the System in complying with the Safe Drinking Water Act, fulfilling commitments established through the Order, and ensuring residents of Jackson have clean and safe drinking water. Intended beneficiaries include approximately 160,000 persons served by the City of Jackson Public Water System. No subawards are included in this assistance agreement. City of Jackson Public Water System Emergency Drinking Water Grant.***

This report is required by the grant agreement and covers eligible activities that began January 1, 2024, through March 31, 2024. These reports are aligned with the reporting requirements of the Interim Stipulated Order that appointed the Interim Third-Party Manager funded by and managing this grant. This report is submitted for the Court’s review and approval.

**C. PROJECTS AND ACTIVITIES CONDUCTED DURING THE REPORTING PERIOD**

The ISO includes thirteen priority projects for the ITPM to accomplish under the terms of the ISO. The activities conducted related to the priority projects (PP) are included in Section M of this report. Beyond the priority project work, many activities have been conducted to comply with the requirements of the ISO during this reporting period. These include:

**Billing and Collections:** JXN Water continues to work to resolve legacy metering and billing issues that have hampered collection of water-related revenues.

Revenues continue to increase through the significant efforts of the JXN Water billing staff. Severance (the process to disconnect customers for non-payment) started in March 2024 with a focus on large commercial accounts with high outstanding balances. These included several multi-family properties which pose additional complications for collections. JXN Water continues to make progress in getting these customers caught up and current on their water bills. During the reporting period JXN Water focused on disconnecting properties receiving water without accounts. The majority of these customers established accounts to have their service restored and are now paying their share of the water system’s operating costs.

Cash flow challenges will continue until all water users are paying their bills on time each month. The quarterly averages continue to trend upward, both in the total billed and total collected as shown in the table below.

<b>Quarterly Averages</b>				
<b>Quarter</b>	<b>Billed</b>		<b>Collected</b>	
<b>4th 2023</b>	\$	6,850,739.60	\$	4,449,288.22
<b>1st 2024</b>	\$	7,494,593.07	\$	4,573,254.93
<b>2nd 2024</b>	\$	8,953,367.38	\$	5,704,292.74
<b>3rd 2024</b>	\$	9,026,122.28	\$	6,257,541.84

**Obtaining Funding:** The final amendment to the SDWA 1442(b) Grant (84060101) was applied for on May 4, 2024, and finally awarded on August 19, 2024. This fifth amendment awards the balance of the Congressionally appropriated \$150 million under the SDWA 1442(b) authorization less US EPA’s administrative costs. The total award was \$145,961,591.

The grant includes the following projects:

Priority Project No.	Description	Total (Millions)	Spent 2023	Estimated 2024	Estimated 2025
5.a.ii	Valve and Hydrant Assessment	\$7.40	\$1.90	\$5.50	
5.a.vii	Service Line Inventory	\$1.00	\$0.20	\$0.80	
5.a.iv	Distribution System Leaks – Find and Fix	\$37.40	\$23.20	\$14.20	
1	Phase 2 O&M Contract - Open Book Actual Cost	\$26.70	\$26.70		
	Extension of Phase 2	\$15.00		\$15.00	
1	Phase 3 O&M Contract - Long Term Fixed Price	\$27.00		\$15.00	\$12.00
2	Winterization	\$0.30	\$0.23	\$0.07	
3	Corrosion Control	\$7.00	\$0.30	\$6.70	
4	Emergency Water Supply	\$2.90	\$1.40	\$1.00	\$0.50
5 and 6	System Planning and Stabilization	\$8.80	\$2.80	\$4.00	\$2.00
13	Resilient Power Plan	\$0.50		\$0.50	
	Small Pipe Replacement Pilot	\$5.50		\$5.50	
	ITPM Professional Budget	\$6.00		\$3.00	\$3.00
	Grant Management	\$0.46		\$0.27	\$0.19
	<b>TOTAL 1442(b)</b>	<b>\$145.96</b>	<b>\$56.73</b>	<b>\$71.57</b>	<b>\$17.86</b>

**SRF Funding:** The balance of the funding from the CAA 2023 is provided through the existing State Revolving Loan Fund (SRF). Working closely with the Mississippi Department of Health, and Region 4 of the US EPA, a revised Intended Use Plan was submitted by the ITPM during this reporting period. The Mississippi Local Governments and Rural Water Systems Improvements Board approved the amended Intended Use Plan (IUP) for the DISASTER RELIEF SUPPLEMENTAL APPROPRIATION on September 30, 2024. The approved IUP commits over \$359 million (nearly 80 percent of the \$450 million appropriated) with projects investing in treatment plant processes, distribution system improvements, and replacement of small diameter piping.

**SRF DISASTER RELIEF SUPPLEMENTARY APPROPRIATION**

VIII. PRIORITY LIST		Supplemental Appropriation Priority List			
Project	Project Description	Priority Points	Service Area Population	Loan Amount Requested	Cumulative
<b>Category III: Primary Drinking Water Standards Projects</b>					
Jackson, City of	Intake Structure Repair	11099	155,000	\$5,500,000	\$5,500,000
<b>Category IX: Existing Facilities Upgrade (Meeting Primary Standards)</b>					
Jackson, City of	Emergency Small Diameter Pipe Replacement	10708	155,000	\$5,182,149	\$10,682,149
Jackson, City of	Emergency Distribution System Optimization	2804	155,000	\$19,793,757	\$30,475,906
Jackson, City of	Chemical Feed Repair	2755	155,000	\$24,000,000	\$54,475,906
Jackson, City of	Small Diameter Pipe Replacement	1749	155,000	\$47,602,400	\$102,078,306
Jackson, City of	Treatment Process Renewals	735	155,000	\$90,000,000	\$192,078,306
Jackson, City of	Distribution System Optimization	578	155,000	\$96,057,100	\$288,135,406
<b>Category XIII: Other</b>					
Jackson, City of	Emergency Lead Service Line Inventory	18696	155,000	\$2,968,198	\$291,103,604
Jackson, City Of	Debt Retirement - SRF Loan 2	3811	155,000	\$14,562,349	\$305,665,953
Jackson, City of	Debt Retirement - SRF Loan 3	3014	155,000	\$18,410,826	\$324,076,779
Jackson, City of	COJ Obligation Bond S2013 – DW Infrastructure Materials	1588	155,000	\$34,940,271	\$359,017,050

\*Loan 3's balance drawn is \$18,410,826. Loan 3 is an active project with pending disbursement/draws and principal forgiveness.

Note: All projects appearing on the IUP are associated with this public drinking water system. Projects listed above are based in good faith from representation provided by the borrower. The program is a reimbursement program. Request for reimbursement will be reviewed to ensure conformity with eligibility requirements and compliance with applicable state and federal laws and regulations before funds are reimbursed.

The ITPM responded to a solicitation by the Mississippi Local Governments and Rural Water Systems Improvements Board for two new programs funded as part of the Bi-partisan Infrastructure Law (BIL) on June 19, 2023, requesting funding for Lead Service Line Replacements (LSLR) and for addressing Emerging Contaminants. Both were included in the approved IUPs, but at a fraction of the total project cost. The LSLR project is estimated at \$88 million (18,000 \* \$4,888/EA) across a 10-year construction period. Based on preliminary inventory data, Jackson has approximately 18,000 galvanized service lines which there are no records to prove they have never been downstream of any lead piping. As a result, these all require replacement under the proposed LSRI.

The Emerging Contaminant project, scoped to add Granular Activated Carbon (GAC) filtration to the OB Curtis Water Treatment Plant, is estimated at \$119 million. Sampling and testing for PFAS in source and finished water revealed no issues with PFAS, all samples tested well either non-detected or well below EPA’s PFAS MCL levels. The GAC project will be executed for future emerging contaminants and seasonal taste and odor issues. This project will not be initiated until existing treatment and distribution needs are addressed.

**SRF FFY-2024 BIL EC PRIORITY LIST**

Project	Project Description	Zip Code	Priority Points	Service Area Population	Eligible PF Amount	Loan Amount Request	Statewide Cum. \$
<b>Category IX: Existing Facilities Upgrade (Meeting Primary Standards)</b>							
Jackson, City of	Study, Design & Construction, Emerging Contaminants	39216	11099	155000	\$5,000,000	\$5,000,000	\$5,000,000

**SRF FFY-2024 BIL LSLR PRIORITY LIST**

Project	Project Description	Zip Code	Priority Points	Service Area Population	Eligible PF Amount	Loan Amount Request	Statewide Cum. \$
<b>Category XIII: Other</b>							
Jackson, City of	Replacement of Lead Service Lines	39216	110	150000	\$500,000	\$5,000,000	\$26,427,135
Mount Olive, Town of	Surveying and Inventorying Lead Service Lines	39119	102	982	\$450,000	\$1,000,000	\$27,427,135
Fayette, City of	Surveying & Inventory of Lead Service Lines	39069	0	0	\$56,250	\$125,000	\$27,552,135
Collins, City of	Surveying and Inventorying Lead Service Lines	39428	0	4000	\$175,000	\$500,000	\$28,052,135

**Building Resilient Infrastructure and Communities (BRIC):** The Mississippi Emergency Management Agency (MEMA) received a \$2 million BRIC grant to develop long-term strategies for water supply and treatment for Jackson. The ITPM is partnering with MEMA to incorporate the scope of the BRIC grant with the master planning work underway with PPL 5.

**Disputed Customer Debt:** The ITPM inherited nearly \$56 million in billing arrearages. Many accounts had arrearages dating back years due to the many metering and billing challenges over the past decade in Jackson. Almost all account arrearages could be attributed, in whole or in part, to those challenges or to billing for inadequate or non-existent services. Hundreds of these bills had been disputed prior to the appointment of the ITPM, and the disputes remained unresolved. Lacking adequate information to defend prior billing or resolve disputed bills, the ITPM instituted a program to compromise debt that pre-dated the ITPM appointment for all disputed accounts. To accomplish this, the ITPM retained Promise Pay to gather attestations from customers that had aging arrearages (prior to December 1, 2022) and that had disputed these charges.

The program was shut down on August 31, 2023. The number of people accessing the program had dropped to less than one per week and the cost to keep the program open was significant resulting in JXN Water’s decision to close that program. A total of 8,251 accounts attested their dispute through Promise Pay and \$19,513,774 in disputed charges were compromised (removed from individual accounts).

The disputed debt program demonstrated the overwhelming majority of the aging arrearages were the result of disputed bills. As a result, all arrearages prior to November 29, 2022, have been moved in the billing system to a separate Service Agreement (SA) account and are no longer visible on customer bills. At some future point JXN Water may choose to pursue these arrearages but at the current time, staff is focused on getting all customers using water into the system and current on their bills. It is estimated JXN Water would spend more on collection efforts for the aged arrearages (prior to November 29, 2022) than would be recovered.

**Low Income Household Water Assistance Program (LIHWAP):** For debt that accrued post the appointment of the ITPM, the ITPM retained Promise Pay to identify qualified applicants and apply for the LIHWAP grant funding on behalf of JXN Water. The program expired on September 30, 2023, with no extension or replacement program currently moving in Congress. As of the end of the program, 413 accounts received Federal LIHWAP grant assistance through the state for a total amount of \$756,263.76.

**Community Engagement:** The ITPM participated in numerous meetings to discuss the ISO and the ITPM role in stabilizing and restoring the Jackson water system. The ITPM made presentations the following groups during the reporting period:

August 7	SRF Public Hearing
August 8	JXN Water Academy
August 10	Quarterly Public Meeting
August 27	Studio 3 Segment on WLBT
September 9 – 11	Aspen Institute Water Forum
September 13	Capital Club Luncheon
September 19	Massachusetts Coalition for Water Resource Stewardship – Keynote
September 26	Capital City Revitalization Select Committee

**Minority Business Enterprise Engagement**

During the third quarter of 2024, the Small and Minority Business Initiative (SMBI) for JXN Water continued its mission to support and engage minority and disadvantaged business enterprises (MBE/DBEs) through various strategic activities and engagements. The SMBI team along with several local minority owned contractors took part in several high-level meetings and strategic sessions, including public listening sessions hosted by the Environmental Protection Agency. Comments were made addressing some of the benefits of the SMBI i.e., local contracting effort, workforce development and mentoring. Additionally, consultations were held with the Mississippi Development Authority regarding their model contractors’ program and potential synergies with JXN Water’s mentor protégé initiative. The SMBI team finalized arrangements for safety training sessions marking a significant step forward in JXN Water’s commitment to contractor development.

The SMBI team maintained productive relationships with JXN Water’s partners, continuing its collaboration with Jacobs, Stantec and Wharton Smith on their effort to develop and mentor local MBEs. Throughout this period, the team worked with JXN Water, coordinating regularly with the



communications and social impact staff, attended pre-bid sessions and the water academy as well as participated in public quarterly meetings.

Looking forward, SMBI continues to focus on establishing a more diverse and inclusive pool of Mississippi Small and Minority contractors and suppliers. These efforts align with JXN Water's long-term commitment to building capacity and creating opportunities within Jackson's water infrastructure improvement projects. The program will continue to emphasize sustainable development of local capabilities, ensuring that these initiatives create lasting positive impact beyond the completion of the Interim Stipulated Order.

**MBE SPEND**

<b>Firm</b>	<b>Total Spend Thru September 30, 2024</b>
<b>Advanced Environmental Consulting</b>	<b>\$ 18,871.43</b>
<b>Anding Construction Services</b>	<b>\$ 7,075,410.19</b>
<b>Art Mekanics</b>	<b>\$ 60,543.33</b>
<b>Bless Hands Cleaning</b>	<b>\$ 60,875.00</b>
<b>BOSS Utility Solutions</b>	<b>\$ 7,039,966.97</b>
<b>Chambers and Gaylor</b>	<b>\$ 55,965.00</b>
<b>Fahrenheit Creative Group</b>	<b>\$ 271,607.56</b>
<b>GCW Paving</b>	<b>\$ 10,152,258.00</b>
<b>Hardaway Realty</b>	<b>\$ 39,000.00</b>
<b>Hydroflow Solutions</b>	<b>\$ 1,866,500.00</b>
<b>IMS</b>	<b>\$ 1,007,055.83</b>
<b>Iron Horse Grill</b>	<b>\$ 1,464.46</b>
<b>The Jones Group</b>	<b>\$ 170,076.43</b>
<b>Kelly Factory</b>	<b>\$ 1,800.00</b>
<b>Love Trucking</b>	<b>\$ 719,430.00</b>
<b>Matlock Concrete Contractors</b>	<b>\$ 313,500.00</b>
<b>Phoenix Security</b>	<b>\$ 655,814.98</b>
<b>Promise Pay</b>	<b>\$ 1,334,722.24</b>
<b>Q Solutions</b>	<b>\$ 686,641.92</b>
<b>R&amp;L Unlimited</b>	<b>\$ 2,120,106.34</b>
<b>SD Systems</b>	<b>\$ 115,000.00</b>
<b>Shawn Davis Electric</b>	<b>\$ 7,950.00</b>
<b>SOL Engineering</b>	<b>\$ 27,728.41</b>
<b>Southern Infrastructure Solutions</b>	<b>\$ 355,720.00</b>
<b>Studio54Media</b>	<b>\$ 38,250.00</b>

<b>DBE/SWAM Spend to Date</b>	<b>\$</b>	<b>34,196,258.09</b>	
	<b>\$</b>	<b>-</b>	
<b>Total JXN Water Spend to date</b>	<b>\$</b>	<b>237,923,364.99</b>	
<b>Jacobs Contract</b>	<b>\$</b>	<b>54,084,509.42</b>	
<b>Total JXN Water Spend w/o Jacobs</b>	<b>\$</b>	<b>183,838,855.57</b>	
<b>MBE Percentage Total Spend</b>		<b>14.4%</b>	
<b>MBE Percentage without Jacobs</b>		<b>18.6%</b>	

**Call Center:** ProTel has been in business supporting clients throughout Mississippi for more than 30 years. A contract for 24/7 call center operations was developed and the JXN Water customer service number (601-500-5200) went live on June 5, 2023.

The call center can address many billing questions (majority of calls), dispatches the metering contractor for meter issues, dispatches appropriate resources for leaks, low pressure, discolored water, etc. Call center key performance indicators for the quarter are shown below.

**Call Center KPIs for Q3 2024**

<b>Total Calls</b>	<b>Average Talk Time</b>	<b>Average Wait Time</b>
33,389	3:41 minutes	1:54 minutes

**Mississippi Municipality & County Water Infrastructure Grant Program Act (MCWI):** The ITPM worked with the MCWI staff to consolidate previously awarded grants into two grants; one for drinking water projects and one for sewer projects. This will provide the most flexibility for leveraging this funding.

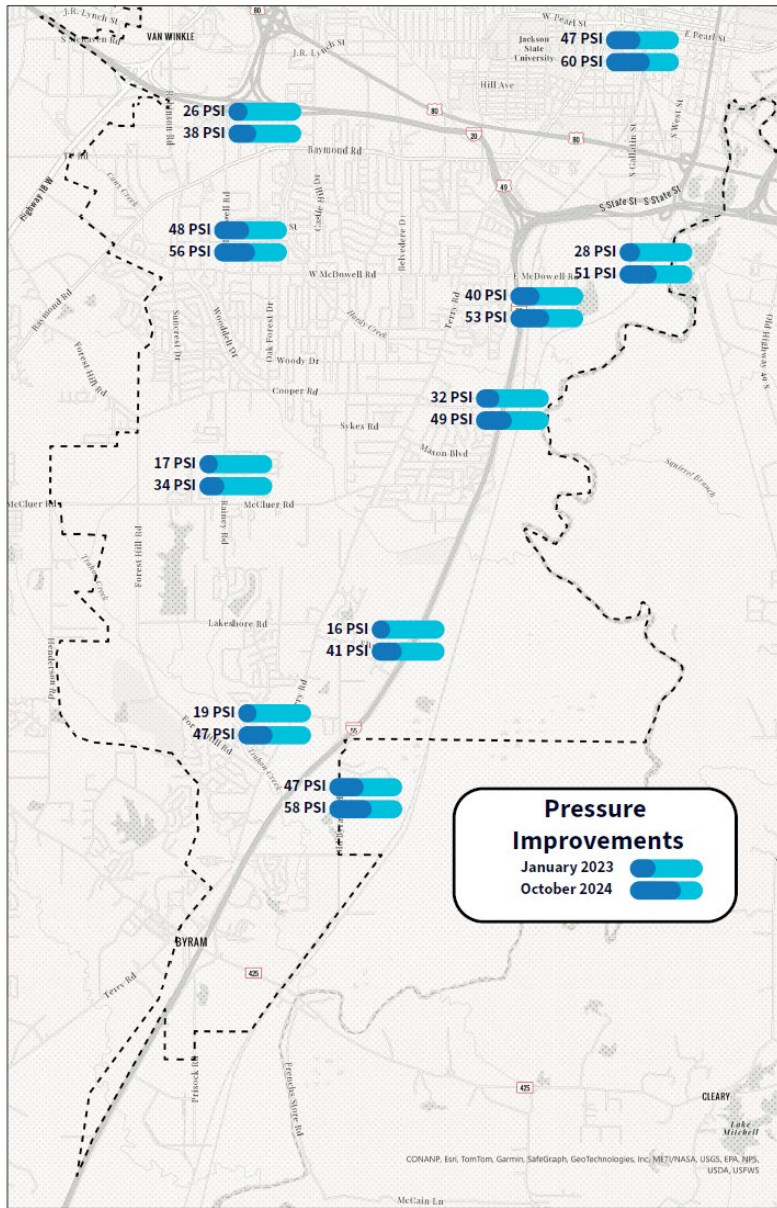
There is one active project in the drinking water agreement, the OB Curtis Filter Improvements. This project was designed and bid prior to the effective date. The ITPM made award after the effective date to the low bidder, Hemphill Construction. The work includes full rehabilitation of conventional filter 5 to place that filter back into service after years of disrepair. This will increase the capacity of the conventional side of OB Curtis by 16 percent. Construction has begun. The contract has been modified to include rehabilitation of the other 5 conventional filters at OBC and other related process improvements. Other details can be found in the priority project status updates at the end of this report.

**System Pressure Improvements:**

System pressure has been stabilized and normalized throughout the system. Wachs Water continues to work with JXN Water staff to continue to find valves, make repairs, and change positions (typically from fully closed to fully open). This reporting period the following work was accomplished (cumulative numbers included for reference):

- Valves fully exercised: 1,262 (5,380 Cumulative)
- Op nut repairs: 3 (51 cumulative)
- Uncovered: 384 (737 cumulative)
- Frozen repaired: 0 (11 cumulative)
- Position changed: 126 (677 cumulative)
- Hydrants: 516 (1854 cumulative)

Pressure throughout the system has dramatically improved under federal judicial oversight and is now stable. The adjacent map shows pressures in South Jackson when JXN Water began operating and maintaining the system (January 2023) and as of October 2024. Pressures in South Jackson have been restored to normal system pressure.



## Distribution system maintenance, repair, and renewal (formerly Find and Fix)

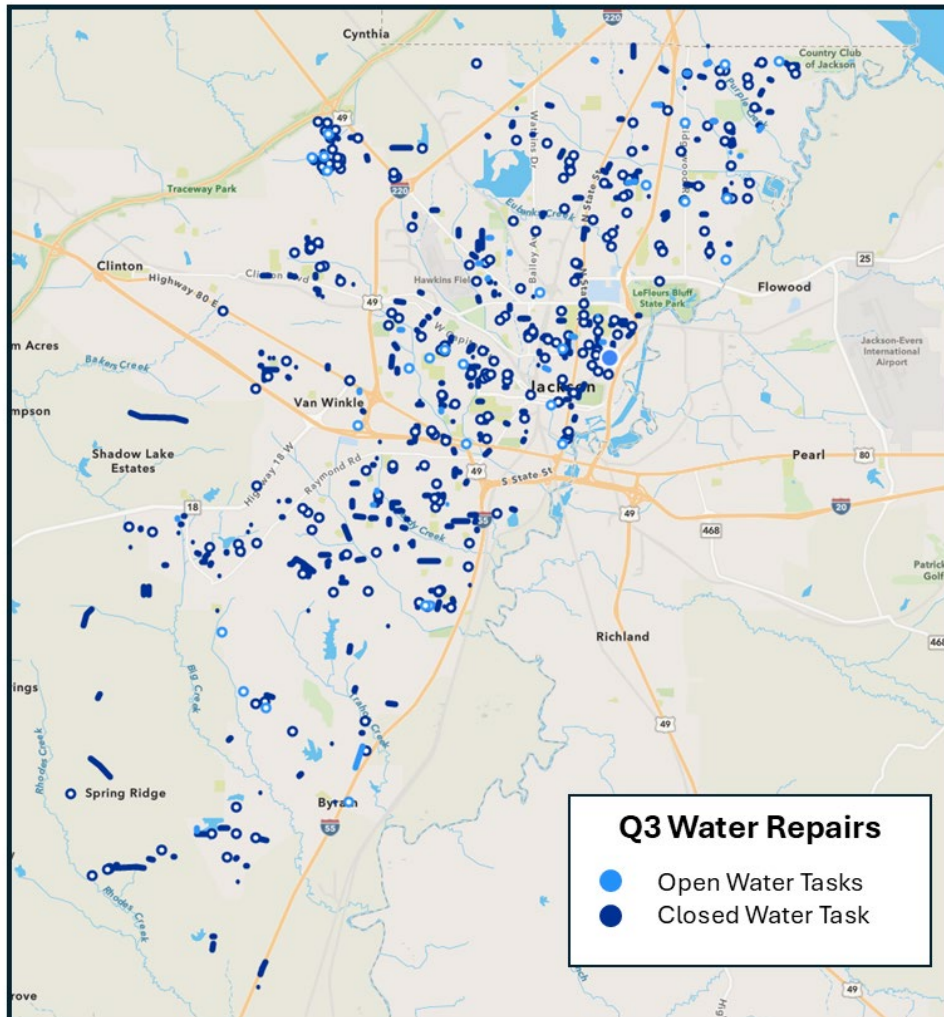
Water Distribution Tasks Completed						
Status	Month	Jul	Aug	Sep	Q3 Totals	
In Progress			6	16	35	57
Completed			300	213	117	630
<b>Total Tickets</b>			<b>306</b>	<b>229</b>	<b>152</b>	<b>687</b>
<b>Percent Complete</b>			<b>98%</b>	<b>93%</b>	<b>77%</b>	<b>92%</b>

Average # of Days to Close						
Completed Tickets	Month	Jul	Aug	Sep	Q3 Average	
Non-Construction Tasks			4	8	10	7
Install			8	2	13	6
Repair			5	7	7	6
Replace			8	12	12	9
Retire			0	0	12	6
<b>Grand Total</b>			<b>5</b>	<b>8</b>	<b>8</b>	<b>6</b>

Average # of Days Open						
Open Tickets	Month	Jul	Aug	Sep	Q3 Average	
Non-Construction Tasks			0	0	2	2
Install			0	0	0	0
Repair			72	37	13	22
Replace			84	43	15	42
Retire			0	0	0	0
<b>Grand Total</b>			<b>80</b>	<b>41</b>	<b>12</b>	<b>27</b>



Street Restorations						
Status	Month	Jul	Aug	Sep	Total in Status	
In Progress		9	130	17		156
Completed		11	186	33		230
<b>Total Tickets</b>		<b>20</b>	<b>316</b>	<b>50</b>		<b>386</b>
<b>Percent Complete</b>		<b>55%</b>	<b>59%</b>	<b>66%</b>		<b>60%</b>
<b>Completed Tickets</b>						
	Month	Jul	Aug	Sep	Average	
Average # of Days to Close		32	24	16		23
<b>Open Tickets</b>						
	Month	Jul	Aug	Sep	Average	
Average # of Days Open		62	52	11		42

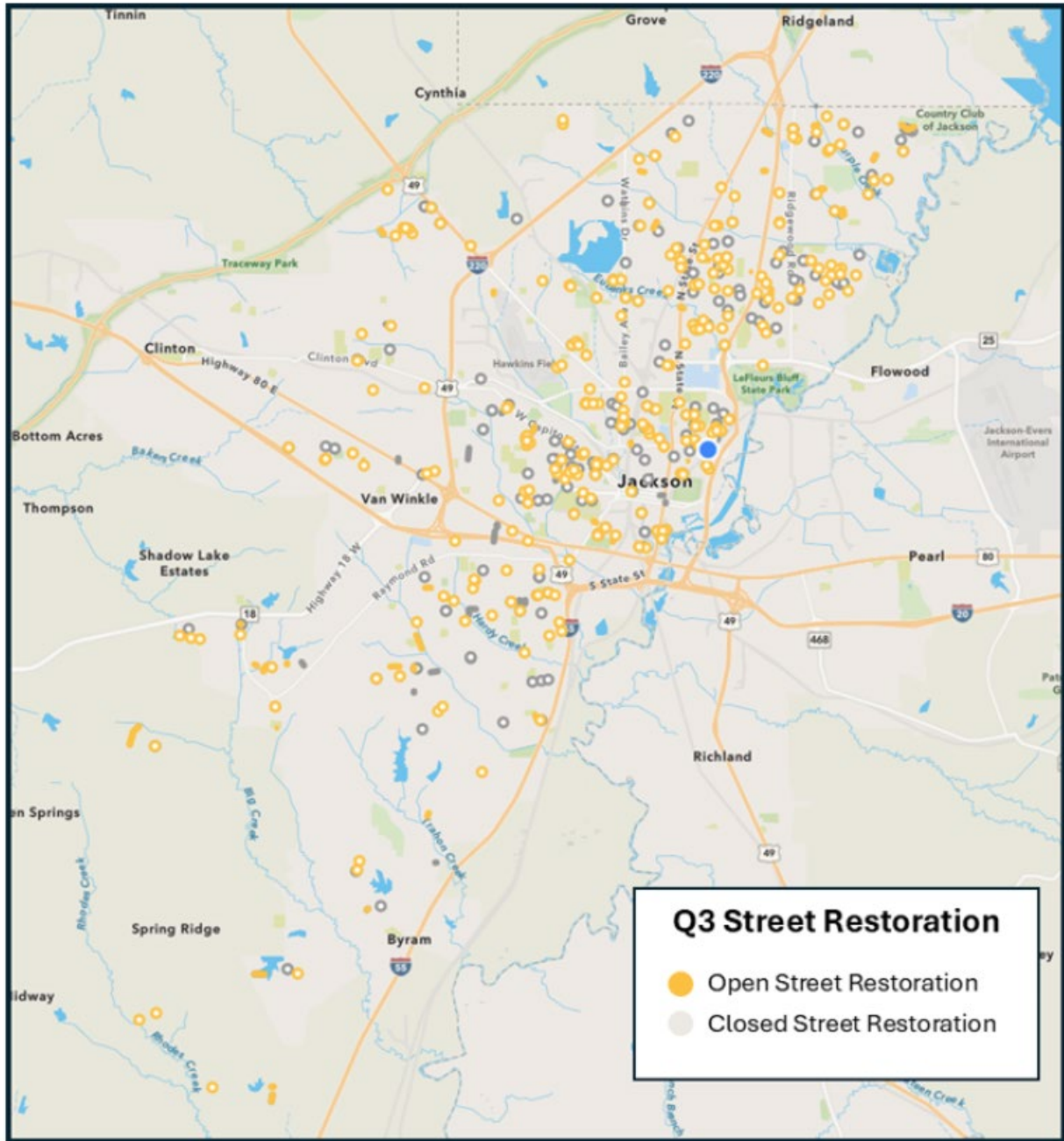
\*Backlog was entered July 2024. All dates reflect tracking after July 2024.

Yard Restorations						
Status	Month	Jul	Aug	Sep	Total in Status	
In Progress		3	11	36		50
Completed		2	4	0		6
<b>Total Tickets</b>		<b>5</b>	<b>15</b>	<b>36</b>		<b>56</b>
<b>Percent Complete</b>		<b>40%</b>	<b>27%</b>	<b>0%</b>		<b>11%</b>
<b>Completed Tickets</b>						
	Month	Jul	Aug	Sep	Average	
Average # of Days to Close		29	32			31
<b>Open Tickets</b>						
	Month	Jul	Aug	Sep	Average	
Average # of Days Open		62	55	9		22

\*Backlog was entered July 2024. All dates reflect tracking after July 2024.

Curb Restorations						
Status	Month	Jul	Aug	Sep	Total in Status	
In Progress			1	1		2
Completed			5	4		9
<b>Total Tickets</b>			<b>6</b>	<b>5</b>		<b>11</b>
<b>Percent Complete</b>			<b>83%</b>	<b>80%</b>		<b>82%</b>
<b>Completed Tickets</b>						
	Month	Jul	Aug	Sep	Average	
Average # of Days to Close			27	22		25
<b>Open Tickets</b>						
	Month	Jul	Aug	Sep	Average	
Average # of Days Open			50	21		36

\*Backlog was entered July 2024. All dates reflect tracking after July 2024.



**Metering:** The contract to install Automated Metering Infrastructure (AMI) continued in the quarter. Nearly 70,000 meters have been installed. Work continues to install meters in challenging locations, locations that were not accessible during the original installations in those areas, and at properties that were not in the customer database provided to the contractor in 2021. An estimated 4,000 to 6,000 meters remain to be installed.

**Meter Project Status**

## PROJECT AT-A-GLANCE

Category	Item	Period Ending Date (8/7/24)	Period Ending Date (9/4/24)	Period Ending Date (9/18/24)	Period Ending Date (10/2/24)
Installations	Total Period	101	231	42	36
	Total to Date	61690	61921	61963	61999
Removed From Scope	This Period	14	4	4	1
	Total to Date	12935	12834	12834	12835
Assists Pending	This Period	162	237	29	65

**Customer Account Cleanup**

JXN Water is working with Horne to improve customer account data and focus efforts to get all customers to get and keep their accounts current. During this reporting period much of the efforts have been to address water users without accounts. Category 001 in the table below includes those customers with nearly 800 having moved out of that category. This work is challenging and slow but JXN Water continues to work to improve the accuracy of the billing data which we inherited. During the 4<sup>th</sup> quarter, the focus will turn to the nearly 14,000 accounts receiving accurate bills, with new meters, but without making a payment in more than 60 days.

Dispositions by Category	7/2/24	9/29/24	Increase/Decrease
001_No Account Information	14,393	13,598	(795)
002_Missing One or More Required SA(s)	1,203	1,459	256
003_Extra SA(s) Assigned to the Account	303	82	(221)
004_ALL SA(s) Correct but in Non-Billable Status	6,557	6,326	(231)
005_ALL SA(s) Correct but One or More in Non-Billable Status	4,004	4,737	733
006_Correct and Billable SA(s) but No Bill Created Since Account Setup	773	884	111
007_Correct and Billable SA(s) but Partial Bill Created	404	560	156
008_Correct and Billable SA(s) but No Bill Created in the Last 60 Days	1,507	1,755	248
009_Correct and Billable SA(s) but Partial Bill Created in the Last 60 Days	696	654	(42)
010_Correct Bill Created in the Last 60 Days but No Payment Made	15,104	13,740	(1,364)
090_Good Customer (Correct Bill Created and a Payment Made)	29,966	28,970	(996)
700_Missing Meter	4,335	4,787	452
800_Irrigation Account Only	411	420	9
NULL	1	1	-
<b>Grand Total</b>	<b>79,657</b>	<b>77,973</b>	<b>(1,684)</b>

## Communications

# Communications Strategy Summary

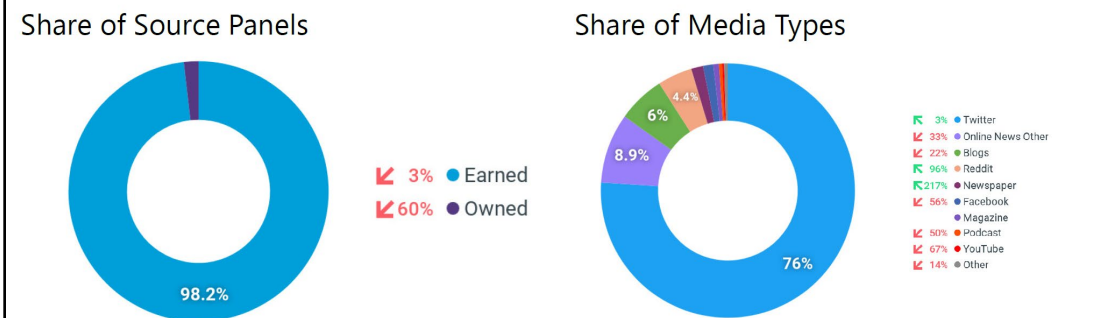
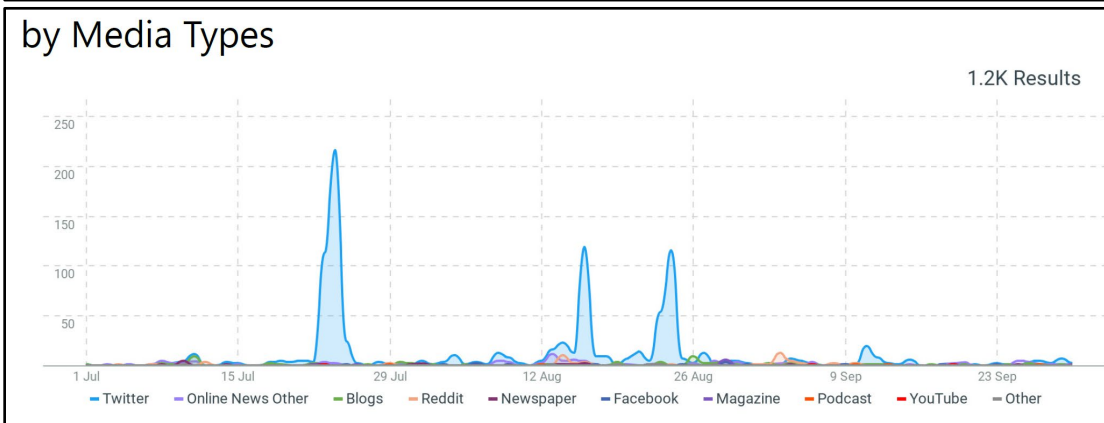
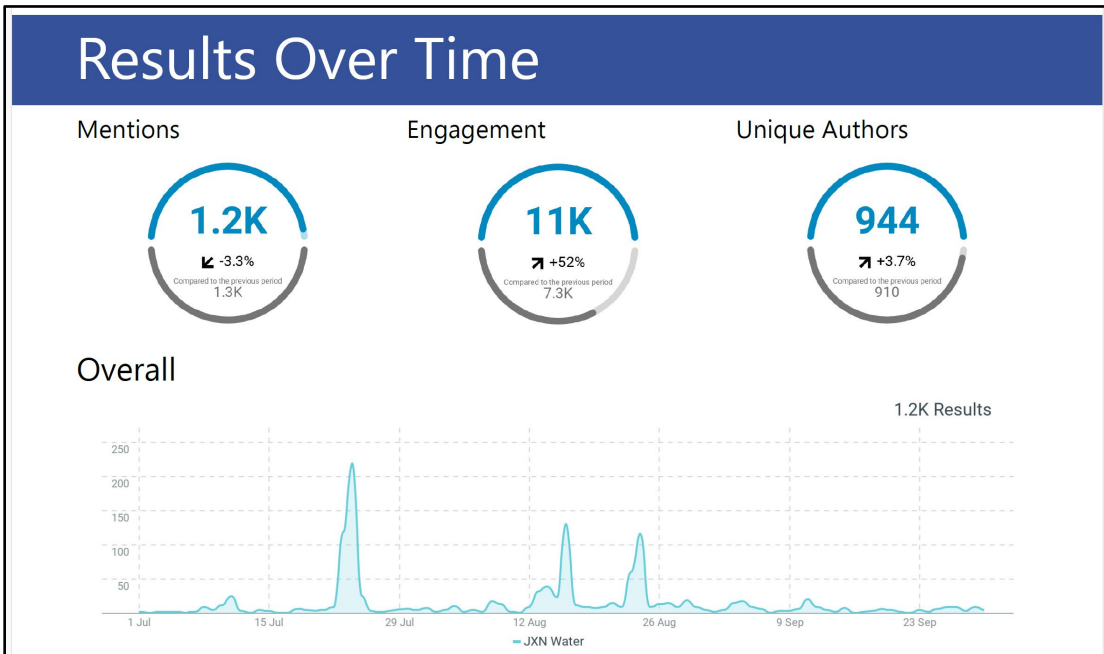


JXN Water is changing for the better and is working hard to repair its water system by making system repairs, rebuilding trust and proactively engaging the public through strategic communications.

<b>Goal #1</b> <b>Improve the Reputation of JXN Water</b>	<b>Goal #2</b> <b>Amplify the function of JXN Water operations</b>	<b>Goal #3</b> <b>Launch a public education campaign</b>
<p style="text-align: center;"><b>Strategies</b></p> <ul style="list-style-type: none"> <li>• Show progress on system improvements and efforts to provide safe, clean reliable water and resolve sewer issues through easy-to-understand videos, photos and infographics</li> <li>• Establish consistency between the Department of Health and City of JXN Water to improve community outreach</li> <li>• Build a JXN Water newsroom on their website containing the latest news and related media channels with curated content from JXN Water.</li> </ul>	<p style="text-align: center;"><b>Strategies</b></p> <ul style="list-style-type: none"> <li>• Convey the value of water through messaging focused on bill payment</li> <li>• Increase visibility in the community by attending community events/programs</li> <li>• Maintain a calendar for public appearances, speaker's bureau and regular plan tours with a request protocol for the ITPM, COO, billing executives and plant operators</li> </ul>	<p style="text-align: center;"><b>Strategies</b></p> <ul style="list-style-type: none"> <li>• Establish a water academy to educate interested residents</li> <li>• Grow awareness of JXN Water's Small and Minority Business Initiative that increases contractor capacity</li> <li>• Share weekly community updates</li> </ul>
<p style="text-align: center;"><b>Tactics</b></p> <ul style="list-style-type: none"> <li>• Create communication materials and easy-to-understand monthly community update videos to distribute through the website, newsroom page or through other paid/owned media channels, including paid news articles about system repairs and other topics.</li> <li>• Create media advisories and press releases about JXN Water's latest efforts on repairing water infrastructure and community updates.</li> </ul>	<p style="text-align: center;"><b>Tactics</b></p> <ul style="list-style-type: none"> <li>• Create a scenario-based key messages document that also focuses on bill payment scenarios and the value of water</li> <li>• Create a public events calendar that tracks opportunities for public appearances</li> </ul>	<p style="text-align: center;"><b>Tactics</b></p> <ul style="list-style-type: none"> <li>• Establish scenario-based key messaging about JXN Water's Small and Minority Business initiative and include in communication materials such as video and press releases</li> <li>• Create public education materials, including a paid media article, geared toward water education and helping residents understand their water system.</li> <li>• Create a newsletter to share weekly community updates through MailChimp to distribute through email</li> </ul>
<p style="text-align: center;"><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• See an increase in Jackson residents who trust JXN Water and overcome deeply held suspicions of corruption, incompetence with regular communication and receipts of implementation, measured by Thrive Center trust survey</li> <li>• Improve engagement by 100 percent within the first six months after improvements are made</li> <li>• Paid media amplifies the visibility of JXN Water milestones with 1 million monthly impressions</li> <li>• Stakeholders engage with relevant, updated content with increased users, views and comments</li> </ul>	<p style="text-align: center;"><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• Bill payments increase</li> <li>• General public sees JXN Water as part of the community and connects with the value of water, joy and fun</li> <li>• JXN Water representatives receive professional support to address community requests</li> </ul>	<p style="text-align: center;"><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• JXN residents are knowledgeable stewards of the local water system.</li> <li>• Contractors find it easy to do business with JXN Water</li> <li>• The community has a sustainable number of local contractors who can maintain the system long term</li> </ul>



# Media Monitoring Report



# Influencers

## Top Authors

Influencer	Network	Posts	Sentiment
Anonymous <a href="http://kingfish1935.blogspot...">http://kingfish1935.blogspot...</a>	Reddit	31 ↑10.9%	96.9%
anthony warren <a href="http://www.wtbt.com/">http://www.wtbt.com/</a>	Global	17 ↓18.5%	96.5%
Mississippi Free Press @MSFreePress	Twitter	16 ↑15.4%	95.4%
Donna Ladd said what ... @DonnaLadd	Twitter	13 ↑22.6%	95.4%
Effective Date: <a href="https://msdh.ms.gov/">https://msdh.ms.gov/</a>	Global	12	95.4%
JKN Water <a href="http://www.facebook.com/">http://www.facebook.com/</a>	Facebook	9 ↓7.6%	95.4%
Clarion Ledger @clarionledger	Twitter	8 ↓31.2%	95.4%
KuafarCongress @kuafar	Twitter	8 ↑14.2%	95.4%
U.S. EPA OIG @EPAoig	Twitter	8 ↑50%	95.4%
Ashton Pittman @ashtonpittman	Twitter	8 ↑50%	95.4%

## Top Sites

Influencer	Network	Posts	Sentiment
mississippi	Reddit	45 ↑450%	95.4%
kingfish1935.blogspot...	Reddit	37 ↓15.9%	95.4%
www.wtbt.com	Global	26 ↓2.7%	95.4%
msdh.ms.gov	Global	15 ↑27.6%	95.4%
eu.clarionledger.com	Global	12 ↑300%	95.4%
www.wapt.com	Global	10 ↓54.4%	95.4%
jacksonadvocateonline...	Reddit	6 ↑50%	95.4%
www.yahoo.com	Global	5 ↑150%	95.4%
mississippitoday.org	Reddit	4 ↑33.3%	95.4%
www.newslocker.com	Global	4 ↓92%	95.4%

Most active author



Anonymous  
Blogs  
31 Posts

Most influential author



anthony geathers  
Twitter  
5.8K Engagement

Most active site



mississippi  
Reddit  
45 Posts

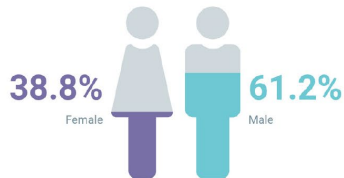
Most influential site



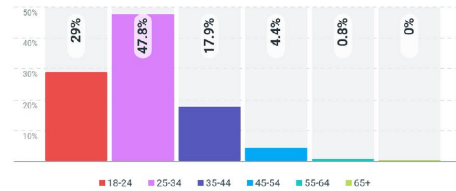
www.wapt.com  
Online News Other  
565 Engagement

# Demographics

## Gender



## Age



**D. Precautionary Boil Water Notices**

There were no city-wide precautionary boil-water notices issued during the reporting period.

The continued accelerated efforts to find and fix leaks in the system along with regular pipe breaks, valve and hydrant replacements continues to require issuing many localized precautionary BWN each month. There were 125 issued during the quarter with an average of 64 connections impacted for 4 days each. A listing of the BWNs issued during the reporting period is in the table below.

**Precautionary Boil Water Notices**

Boil Water Notice Date	Boil Water Notice Lift Date	Duration Days	Surface	Well	Area Impacted	Connections
7/1/2024	7/10/2024	9	x		1502-1846 Myrtle St 2111 Laurel St 2117 Riverside Dr	35
7/1/2024	7/10/2024	9	x		1004-1035 Riverview Dr	10
7/1/2024	7/12/2024	11	x		204-270 Shady Pine Ln 204-234 Pine Lawn Pl 2609-2665 Pine Tree Dr 2610-2624 Meadow Lark Dr	30
7/3/2024	7/11/2024	8		x	3517-4782 Kimbell Rd 1100-1546 Speaks Rd 2002-2485 Flowers Rd 1205-1241 E Flowers Rd 1506-1522 W Flowers Rd	101
7/3/2024	7/11/2024	8	x		3494-3581 S Shellrock Rd 3241-3513 N Shellrock Rd	40
7/5/2024	7/10/2024	5	x		2804-3103 Greenwood Ave 405-450 Conner Ave 2825-3092 LaSalle Street 420-450 Senneth Street 422-462 Floyd Ave 2806-3014 Englewood Blvd 421-472 Fielding Ave 421-472 Clark Ave 421-472 Dunlap Ave 421-2897 Arbor Hills Drive 421-2838 Kingswood Ave 402 Ashwood Street	250
7/8/2024	7/12/2024	4	X		1084-1310 Aberdeen St	42
7/8/2024	7/10/2024	2	x		203-269 Sewanee Dr	15

7/9/2024	7/11/2024	2		x	12-35 Brock Drive 902-937 W. Lake Dockery Drive 45-62 Lester Cove 55-65 Lee Cove 551-580 Buchanan Drive 1005-1037 Lake Dockery Road 110-150 Robinson Cove 220-270 Bryan Cove 320-350 Runnels Cove	100
7/9/2024	7/12/2024	3	x		100-333 Duncan Ave	24
7/9/2024	7/12/2024	3	x		128-209 Glenmary St	27
7/11/2024	7/12/2024	1	x		205-232 Kevin Garnett Ct	14
7/11/2024	7/15/2024	4	x		109-199 Roosevelt 160-165 Fairbanks 138-192 Whitfield St 1409 Blair Street	37
7/12/2024	7/16/2024	4		x	106-130 Clint Dr	5
7/12/2024	7/16/2024	4		x	1001-1098 Westbury Sq	42
7/13/2024	7/16/2024	3	x		2405-2438 Courtview Street 2437 Lavernet Blvd	20
7/13/2024	7/16/2024	3	x		5800-5895 Ferncreek Drive 5812-5816 Ferncreek Cove	32
7/14/2024	7/16/2024	2		x	100-144 Oak View Drive 4612-4782 Kimbell Road 304-305 S. Oak Cove 205-215 N. Oak Cove 10779 Springridge Road	31
7/15/2024	7/18/2024	3	x		1600-1944 1st Ave 307-641 Buena Vista Ave 400-544 Eastview St 401-544 Valley St 504-658 Fredrica Ave 306-605 S Prentiss St 1604-1920 Robinson Rd	171
7/15/2024	7/17/2024	2	X		103-514 E Hillsdale 103-110 Fair Ct 103-110 Club Ct 103-114 Elcrest ST	50
7/16/2024	7/18/2024	2	x		1111-1345 Winnrose St	68

7/19/2024	7/23/2024	4	x		5920-5994 Baxter Dr 5962-5988 Libby Ln 1706-2009 Lake Trace Dr 5829-6169 Lake Trace Cir 5780-6029 Kristen Dr 1415-1503 Mossline Dr 1506-1645 Plantation Blvd 6004-6029 Brenner Dr 6114-6126 Courtney Cv 1-25 Pear Orchard Park	243
7/19/2024	7/23/2024	4	x		1312-1434 Holloman Ave	39
7/19/2024	7/23/2024	4	X		142-312 Magnolia St 1410-1409 W Capitol St	35
7/22/2024	7/26/2024	4	x		1110-1761 Grand Ave 933-1661 Robinson Road 418-652 Buena Vista Ave 131-605 S. Prentiss Street 1304-1624 4th Ave 1224-1622 2nd Ave 1204-1529 1st Ave 321-519 Hemlock Street 303-620 Broad Street 275-521 Roseneath Ave 142-515 Magnolia Street 110-142 S. Green Ave 121-251 Rose Street 916-944 Inge Street	370
7/22/2024	7/24/2024	2	x		2006-2076 London Ave 1711-4293 Berlin Street 4215-4277 Athens Drive 4202-4267 Brussels Drive 2-6 Charleton Place	80
7/22/2024	7/24/2024	2	x		141-270 Carmel Ave	17
7/22/2024	7/24/2024	2	x		307-1391 Perkins St	25
7/22/2024	7/25/2024	3			1-43 Village Green Cir 11-15 Village Green Ct	38
7/23/2024	7/26/2024	3	x		221-429 Rose St	20
7/23/2024	7/29/2024	6	X		1403-6171 Mossline Dr 6017-6121 Kristen Dr	38
7/24/2024	7/26/2024	2	X		3112-3183 Tudor St 3218-3350 Pocahontas Ave 1920-1952 Corley Ave	37
7/24/2024	7/26/2024	2	X		1008-1076 Peyton Ave	
7/25/2024	7/29/2024	4	x		200-539 Claiborne Ave	41

7/25/2024	7/29/2024	4	x		1821-2580 Paden Street 510-610 W McDowell Road 515-601 Cummins Street 635-645 Raymond Road	118
7/27/2024	7/30/2024	3	X		1439-1639 W Capitol St 104-126 Calhoun St 139-342 Longino 146-161 N Green St	81
7/27/2024	7/30/2024	3		x	605-695 Dorothy Lane 319-375 Barfield Drive	45
7/29/2024	7/31/2024	2	x		112-332 Claiborne Ave 2905-2921 Macy St	30
7/29/2024	7/31/2024	2	x		104-333 Grover Cleveland Cir	40
7/30/2024	8/2/2024	3	x		804-1006 Briarwood Dr 804-1068 Briarfield Rd 5415-5535 Melwood Dr 912-968 Park Ln	110
7/31/2024	8/2/2024	2		x	700-765 Forest Woods Dr	27
8/1/2024	8/5/2024	4	x		1126-1242 Langley Ave	15
8/2/2024	8/9/2024	7	x		119-250 Princeton St 122-209 Glenmary St 315-321 Ethel Mary St 115-152 Ethel Moore Ave 1585-1639 W Capitol St	60
8/2/2024	8/9/2024	7	x		1111-1179 Winnrose St	31
8/4/2024	8/9/2024	5	x		418-652 Buena Vista Blvd 1716-1760 Grand Ave 1602-1902 Robinson Road (302-605) S. Prentiss Street (1602-1836) 1st Ave (400-544) Eastview Street (401-544) Valley Street	160
8/5/2024	8/21/2024	16	x		2206-2332 E Northside Dr 4609-4660 W Cheryl Dr 4615-4680 Katherine Blvd 4602-4672 Trawick Dr 4616-4666 Hazelwood Dr 2206-2352 N Cheryl Dr	70
8/5/2024	8/7/2024	2	x		1414-1750 Gibraltar Dr 2710-2724 Gene Dr	57
8/6/2024	8/9/2024	3	x		1615-1685 Ashdown St	14
8/6/2024	8/9/2024	3	x		6291-6530 Cedarwood Dr	37

8/7/2024	8/9/2024	2	x		1817-1984 Elaine St 16-21 Valencia Ct 23-29 Wisteria Ct 31-34 Elaine Pl	42
8/8/2024	8/12/2024	4	x		3302-3359 Ridgeland Dr 1004-1074 Brookley St 1002-1094 Deryll St 904-959 Palm St 930-1069 Westway St	107
8/8/2024	8/12/2024	4	X		6340-6586 Abraham Lincoln Blvd 104-327 Grover Cleaveland Cir 103-357 William McKinley Cir 105-387 James Garfield Cir 103-253 Rutherford B Hayes Cir	223
8/9/2024	8/13/2024	4	x		103-253 Rutherford B Hayes Circle 6551-6584 Abraham Lincoln Drive	42
8/9/2024	8/13/2024	4	x		5505-5577 Queen Mary Ln	20
8/10/2024	8/13/2024	3	x		350-700 E. Silas Brown Street 792-842 Commerce Street 810-901 S. West Street 817-831S. Congress Street 427-861 State Street	40
8/12/2024	8/14/2024	2	x		102-190 Briston Blvd 115-155 Avian Ln	27
8/12/2024	8/14/2024	2	x		101-124 Scottdale Dr	23
8/12/2024	8/14/2024	2	x		615-638 Warren Harding Dr 405-539 Roosevelt Cir	40
8/13/2024	8/16/2024	3	x		112-539 Claiborne Ave	50
8/13/2024	8/16/2024	3	x		11-51 S CrownpointeDr 54-97 N Crownpointe Dr	35
8/14/2024	8/16/2024	2	x		5105-5140 Cumberland Pl	8
8/14/2024	8/16/2024	2	x		1399-1520 Moody	6
8/15/2024	8/19/2024	4	x		112-180 Delaware Ave	15
8/15/2024	8/21/2024	6	x		2206-2332 E Northside Dr 4609-4660 W Cheryl Dr 4615-4680 Katherine Blvd 4602-4672 Trawick Dr 4616-4666 Hazelwood Dr 2206-2352 N Cheryl Dr	70
8/16/2024	8/20/2024	4		x	8810-8892 Gary Rd	10

8/16/2024	8/20/2024	4	x		1102-1235 Lyncrest Ave 1203-1235 Linden Pl 1034-1246 St Ann St	63
8/16/2024	8/20/2024	4		x	101-171 Windy Hill Cv	20
8/17/2024	8/20/2024	3	x		3326-3373 Fleetwood Drive 11109-1112 Cooper Road	18
8/18/2024	8/20/2024	2	x		4004-4346 Council Circle 3951-4099 Redwing Ave	60
8/19/2024	8/22/2024	3	x		205-295 Highland Pl Dr	18
8/19/2024	8/21/2024	2	x		100-4355 Industrial Dr	30
8/20/2024	8/22/2024	2	x		1511-1846 St Mary St	30
8/20/2024	8/23/2024	3	x		1001-2166 Bailey Ave 1102-1715 Wood St 220-234 Erie St 209-213 Hite St 203-226 Maple St 205-232 Kevin Garnett Ct 205-237 Jessamine St 204-212 Ash St 208-221 Oak St 102-285 Dewitt Ave 203-210 Huron St	130
8/21/2024	8/23/2024	2	x		702-731 Hillmont Drive	30
8/21/2024	8/23/2024	2	x		1459-6218 Northlake Cir 1500-1532 Sherman Ave	30
8/22/2024	8/26/2024	4	x		300-1251 Dixon Road 3710-4016 Robinson Road 3970-4020 Hwy 80 3806-3861 Craig Street 3711-3927 Faulk Blvd	52
8/22/2024	8/27/2024	5	x		123-209 Parcel Drive 504-715 E. McDowell Road	10
8/23/2024	8/27/2024	4	x		1279-1380 West St 301-345 Josanna St 301-358 Alexander St 302-350 Adelle St	36
8/24/2024	8/27/2024	3	x		3800-3855 Yarbo Street 3903-4052 Mary Edith Street	10
8/26/2024	8/30/2024	4	x		3616-4437 California Ave	146



8/27/2024	8/30/2024	3		x	110-366 Old Spanish Trail 203-278 Sundown Trail 105-287 Western Hills Dr 352-573 Hillandale Dr	183
8/28/2024	8/30/2024	2		x	111-138 Hickory Cv 96-225 Meadow Ln 116-147 Oakridge Dr 4821-4917 Cottonwood Ln	64
8/28/2024	8/30/2024	2	x		1101-1217 Kenwood Pl	11
8/28/2024	9/3/2024	6	x		1511-1744 St. Mary St 1509-1623 Ivy St 1503-1739 St. Ann St 1512-1754 Lyncrest Ave	75
8/29/2024	9/3/2024	5	x		110-269 White Oak Ct	20
8/30/2024	9/5/2024	6	x		905-977 SValley Falls Rd 900-1007 N Valley Falls Rd 215-232 I Park Pl 104-156 Glenstone Cir 3550-3567 Clayton Pl	65
9/4/2024	9/6/2024	2	x		1404-1741 Winchester Street	69
9/4/2024	9/6/2024	2	x		2920-2941 I-55 Frontage Rd S	5
9/5/2024	9/10/2024	5		x	5100-5130 Brookhollow Dr 5102-5132 Brookview Dr 210-241 Brookridge Dr 208-269 Idlebrook Dr 101-114 Fieldtree Ct 105-112 Jamestown Ct 206-214 Glen Ct 105-115 Windward Ct 208-217 Northbrook Cir	85
9/6/2024	9/10/2024	4	x		700-829 Dorgan Street	26
9/9/2024	10/2/2024	23	x		804-866 Madison St 1004-1105 Riverview Dr 1003-1123 Bellevue Pl 1003-1111 Harding St 806-827 Monroe St	50
9/9/2024	9/11/2024	2	x		103-357 William Mckinley Cir	55

9/10/2024	9/12/2024	2		x	<b>5101-5689 Brookhollow Drive</b> <b>5102-5132 Brookview Drive</b> <b>1700-1779 Brookhollow Circle</b> <b>1603-1606 Oak Brook Drive</b> <b>1501-1545 Cedar Pine Drive</b> <b>1305-1346 Whispering Oaks Cr</b> <b>1107-1148 Oak Glen Place</b> <b>2160-2165 Thousand Oaks Drive</b> <b>100-197 Thousand Oaks Cr.</b> <b>734-755 Gresham Cove</b> <b>706-725 Shadow Cove</b> <b>510-516 Benchmark Ct</b> <b>608-631 Kingwood Circle</b> <b>409-421 Anvil Circle</b> <b>908-913 Brookford Court</b> <b>707-711 Barwood Court</b> <b>305-310 Brookforest Court</b> <b>209-269 Idlebrook Drive</b> <b>103-115 Benchwood Court</b> <b>105-115 Windward Court</b> <b>210-241 Brookridge Drive</b> <b>207-214 Glen Ct</b> <b>208-217 Northbrook Circle</b> <b>105-112 Jamestown Court</b> <b>106-114 Fieldtree Court</b>	450
9/10/2024	9/12/2024	2	x		<b>1706-1842 Lake Trace Dr</b> <b>5907-5994 Baxter Dr</b> <b>5962-5988 Libby Ln</b> <b>5809-5829 Lake Trace Cir</b>	115
9/11/2024	9/17/2024	6	x		<b>171-326 John St</b> <b>184-255 W Woodrow Wilson</b> <b>171-191 Moon St</b> <b>406-414 Easy St</b> <b>2401-2463 Prosperity St</b> <b>2414-2460 Williamson Ave</b>	50
9/11/2024	9/13/2024	2	x		<b>1653-1849 Peachtree Street</b> <b>900-1029 Euclid Ave</b> <b>1718-1720 Hazel Street</b> <b>904-1017 Fairview Street</b>	50

9/13/2024	9/17/2024	4	x		704-855 Woodbury Rd 707-794 Launcelot Rd 701-792 Cedarhurst Rd 701-878 Lawrence Rd 4906-4913 Eden Ln 4913-4934 Cedarhurst Dr 4629-4650 Manhattan Rd 800-848 Garvin St 4801-4870 Autumn Woods Dr 28-36 Crossings S 10-26 Crossing N Dr	155
9/13/2024	9/17/2024	4	x		1911-1997 Castle Hill Dr	25
9/14/2024	9/20/2024	6	x		1414-1434 Woodcrest Drive 5305-5506 Meadow Oaks Park Drive	50
9/15/2024	9/17/2024	2	x		3-10 South Commerce Street 836-842 Commerce Street	10
9/16/2024	9/19/2024	3	x		917-1011 Harding St 804-866 Madison St 645-674 Rio St 710-796 Lorraine St 905-1032 Spengler St 622-857 N Jefferson St	105
9/17/2024	9/19/2024	2		x	1101-1110 Greenbriar St	6
9/17/2024	9/19/2024	2	x		3813-4071 Henderson Rd 12-55 Nelson Cir 101-156 Marshall Dr 102-174 Chasewood Dr 102-181 Traviswood St 1404-1436 Chestnut Ln 101-172 Duran Ville St 1405-1439 Pecan Blair St 112-116 Larobins Ln 1428-1663 McCluer Rd 3900-3943 Ronald Rd 1402-1420 Vail Ave 1401-1457 Summit Ave 1400-1426 Taylor Ave 1402-1444 Cherrie Ave 1403-1466 Cooks Ave 4006-1090 Lake Rd 4001-4087 W Lake Rd 1433 Lakeview Rd 3980-4076 Puckett Rd 1402-1416 Bass Ave 1402-1406 May Rd 4040 Harrel Ave 1436-1475 Lakeview Ave	280

9/17/2024	9/19/2024	2	x		5301-5499 Old Canton Rd	5
9/17/2024	9/24/2024	7	x		1313-1849 Peachtree Street 900-1029 Euclid Ave 931-1720 Hazel Street 904-1017 Fairview Street 906-1018 Arlington Street 902-1038 Belhaven Street 800-1032 Pinehurst Street	130
9/17/2024	9/19/2024	2		x	4921-5053 Oak Leaf Dr 4928-5056 Oak Creek Dr 507-527 Oak Grove Dr 110-117 White Oak Dr 412-430 Bent Tree Dr 309-328 Harbor Creek Dr 207-223 Forest Dale Dr 2439-2493 Oak Grove Ln 2444-2492 Twisted Oak Dr 104-105 Cross Tree Cir 2512-2750 N Siwell Rd	138
9/17/2024	9/19/2024	2	x		1006-1119 Manship St 1006-1119 Whitworth St 1100-1233 Monroe St 949-1100 Carlisle St 1000-1214 Kenwood Pl 944-1125 Poplar Blvd	72
9/17/2024	9/19/2024	2		x	100-136 Bell Chase Dr 200-217 Bell Chase Cir 1663-1756 McClure Rd 4015-4075 S Siwell Rd	26
9/17/2024	9/19/2024	2		x	101-150 Churchill Pl 6880-6950 Siwell Rd 4746-6902 Henderson Rd	14
9/17/2024	9/20/2024	3	x		1414-1434 Woodcrest Drive 5305-5506 Meadow Oaks Park Drive	50
9/18/2024	9/20/2024	2	x		113-160 E Davis St 123-129 W Davis St 110-158 E Cohea St 110-153 W Cohea St 901-921 N Farish St 1008 Blair St	40
9/19/2024	9/27/2024	8	x		600-1700 Jefferson Street	60
9/19/2024	9/23/2024	4	x		160-5704 Fernwood Dr	25

9/19/2024	9/24/2024	5	x		1202-1238 Morson Rd 4450-4467 St Clair St 4460-4670 US-80 4500-4541 Summer Pl Rd 4503-4629 Elfin Ave 1201-1212 Summer Rd 1207 Summer Dr 1007-1137 Sylvian St	57
9/20/2024	9/24/2024	4	x		2807-3017 Enochs St 1418-1552 Weeks St 1416-1542 Pillars St 1422-1526 Perkins St 1402-1537 Fernwood Dr 2713-3036 Overstreet Ave 2815-3037 Comfort St 1445-1454 Sullens Ave 2704-2717 Potter St	125
9/20/2024	9/25/2024	5	x		1602-1741 Winchester St	40
9/23/2024	9/30/2024	7	x		916-2120 Central Street 221-627 Rose Street	139
9/24/2024	9/24/2024	0	x		4313-4561 Meadowhill Dr 948-1093 Meadow Heights Dr 949-1084 Parkwood Pl 1000-1078 Whitsett Walk 1001-1078 Cedar Hill Dr 667 E Nothside Dr 919-1031 Meadowbrook Rd	137
9/25/2024	9/30/2024	5	x		100-222 Clay St 457-3213 Forest Ave Ext 1091-1147 Hilda St	10
9/25/2024	9/27/2024	2		x	2195-2485 Flowers Rd 106-127 Clint Dr 3139-4782 Kimbell Rd 103-132 Rowan Oak Pl 201-301 W Faulkner Cv 1050-1515 Speaks Rd 100-144 Oak View Rd 304-305 S Oak Cv 205-215 N Oak Cv 10730-11020 Springridge Rd	160
9/25/2024	9/27/2024	2		x	1412-1452 Plum St	11
9/25/2024	9/27/2024	2		x	1025-1075 Dac Cv 6461-1075 Terry Rd	7
9/26/2024	9/30/2024	4	x		103-248 St. Andrews Drive 109-116 Royal Lytham 110-177 Hoylake Drive 114-236 Winged Foot Circle	74

9/26/2024	9/30/2024	4	x		2327-2539 Livingston Rd 2305-2602 Medgar Evers 729-787 Toole Ave	25
9/27/2024	10/3/2024	6	x		121-257 Texas Ave 113-235 Parkside PL 115-249 Louisiana Ave	60
9/30/2024	10/2/2024	2	x		1016-1520 Moody St 802-1313 Harding St 1004-1105 Riverview Dr 1004-1221 Bellevue Pl 607-921 Monroe St 905-930 Whitworth St 804-916 Madison St 800-879 Foley St 106-916 Larson St 721-789 Harris St 1217-1323 Vine St 1200-1320 High St 909 Quinn St	120

## **E. SUMMARY OF DELAYS ENCOUNTERED OR ANTICIPATED**

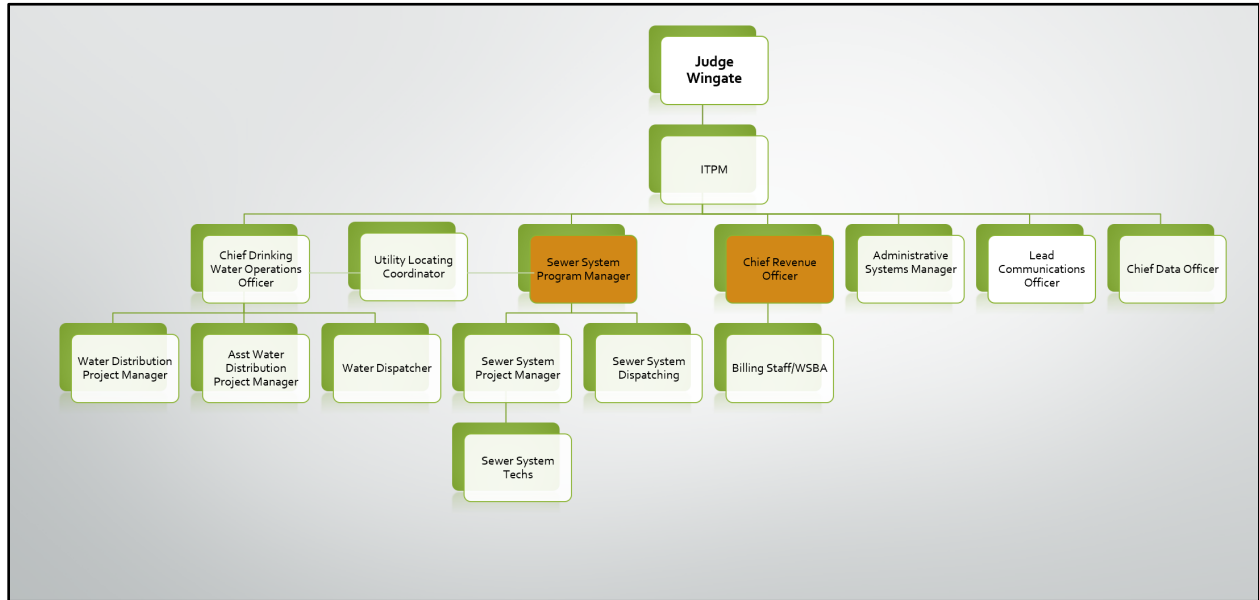
Two priority projects encountered issues that will result in delays. Revised completion dates will be submitted in Q4 as required by the ISO.

- Corrosion Control at OB Curtis: Project design was delayed and longer than anticipated lead times for equipment will require a modification to the estimated completion date.
- Chemical Systems PPL: This project grew into a complete replacement of all chemical feed equipment, piping, and injection points along with replacement of the gaseous chlorine system with on-site hypochlorite generation. Project bidding and award were delayed waiting on SRF approvals.
- Resilient Electrical Plan: Implementation was not included in the original schedule. The plan is complete and design on implementation has begun but excessive lead time for electrical equipment is likely to extend the projected completion date.

## JXN Water Staff and Contract Support

The organizational chart for the ITPM and JXN Water is shown on the chart below. The two orange blocks represent contract employees performing staff functions.

### ITPM and JXN Water Organization Chart



### Contractual Support for ITPM

With additional experience, the roles of various contractors have been evaluated and modified from the original grant workplan. At this time these are the contractors supporting the ITPM:

**Legal Services – Regulatory and General Counsel** – AquaLaw (Paul Calamita) has been engaged with the local support of Forman Watkins (Malissa Wilson). Mr. Calamita has over 30 years of experience representing public drinking water and sewer utilities nationwide. Ms. Wilson is a Partner at Forman Watkins and her team is able to provide a wide range of necessary support with extensive experience with Mississippi clients.

**Accounting** – Kim Hardy, CPA with Matthews, Cutrer, and Lindsay has been retained. Horne has been retained to assist with compliance monitoring.

**Financial Advisor** – PFM (Ricardo Callender) has been retained to provide financial advisory services. There may be additional support necessary under this item related to the debt retirement.

**Billing Support** – Horne has been retained to assist with updating the customer account data in addition to the compliance support they are providing. BOSS has been managing the Oracle billing system and implementing the meter-to-cash solution.



**Communications Support** – HDR has been retained to support the JXN Water communications effort. This broad tasking includes, copywriting, copy editing, graphic design, social media management, website design and development, and public relations services.

**Water Production (into Distribution System) in million gallons per day**

<b>Plant</b>	<b>Q3 Avg</b>	<b>Q2 Avg</b>	<b>Q1 2024</b>	<b>Q4 Avg</b>	<b>Q3 Avg</b>	<b>Q2 Avg</b>	<b>Q1 Avg</b>
OBC Conventional	11.4	9.5	13.6	17.6	16.1	13.3	15.1
OBC Membrane	17.1	16.8	18.2	19.1	21.7	22.4	21.8
JH Fewell	12.2	12.1	16.6	19.3	15.9	11.5	13.4
<b>Total</b>	<b>40.7</b>	<b>38.4</b>	<b>48.5</b>	<b>55.9</b>	<b>53.7</b>	<b>47.2</b>	<b>50.2</b>

**Power and Chemical Cost for Water Treatment**

	<b>July 2024</b>	<b>August 2024</b>	<b>September 2024</b>	<b>Q3 Average</b>
<b>Plant Flows MG (Total all plants)</b>	<b>1230</b>	<b>1256</b>	<b>1261</b>	<b>1249</b>
<b>Estimated Chemical and Power Cost Per MG</b>	<b>\$646</b>	<b>\$772</b>	<b>\$952</b>	<b>\$791/MG</b>

## O&M Contract Staffing Plan and Progress

Jacobs has continued to recruit to fill all positions in their staffing plan. The plan calls for a long-term total of approximately 54 people with a short-term requirement for an additional 12 maintenance people to expedite corrections and deficiencies related to deferred maintenance. Eighteen full-time and one part-time position have been filled with former City of Jackson employees. As of September 30, 2024, 49 positions of 68.5 are filled (71.5 percent).

## Jacobs Operation and Maintenance Contract Staffing Plan and Status

	<b>Water Program Manager</b> FILLED	<b>Water O&amp;M Project Director</b> FILLED	<b>Asst Project Manager</b> FILLED	
<b>Business Analyst</b> VACANT	<b>Communication Director</b> VACANT	<b>Executive Admin Assistant</b> FILLED	<b>Asset Manager</b> FILLED	<b>Health &amp; Safety Manager</b> FILLED
		<b>Admin Asst</b> FILLED	<b>Planner / Scheduler</b> FILLED	
<p>OBC - 3 treatment facilities on site  LAB - Supports plants &amp; distribution  JHF - responsible for vertical assets</p>				
<b>Operations Manager</b> FILLED			<b>Maintenance Manager</b> FILLED	
<b>OBC Operations Supervisor</b> FILLED <i>14 Operators</i>	<b>JHF Operations Supervisor</b> FILLED <i>12.5 Operators</i>	<b>Laboratory Supervisor</b> FILLED <i>3 Lab Staff</i>	<b>OBC Maintenance Supervisor</b> FILLED <i>8 Maintenance Staff</i>	<b>JHF Maintenance Supervisor</b> FILLED <i>8 Maintenance Staff</i>
<b>4 * Lead Operator</b> FILLED FILLED VACANT VACANT	<b>4 * Lead Operator</b> FILLED FILLED VACANT FILLED	<b>Lab Tech II</b> FILLED <b>2 * Lab Tech I</b> FILLED FILLED	<b>2 * Lead Mechanic</b> FILLED VACANT <b>2 * Mechanic</b> VACANT VACANT	<b>2 * Lead Mechanic</b> FILLED VACANT <b>2 * Mechanic</b> VACANT <b>2 * Mechanic-In-Training</b> FILLED FILLED
<b>4 * Operator II (A-licensed)</b> FILLED FILLED VACANT VACANT	<b>2.5 * Operator II (A-licensed)</b> FILLED FILLED FILLED	<b>1 &amp; C Manager</b> VACANT <b>3 * I &amp; C Technician</b> FILLED FILLED VACANT	<b>2 * Mechanic-In-Training</b> FILLED FILLED <b>Electrician</b> VACANT <b>Utility Worker</b> VACANT	<b>2 * Mechanic-In-Training</b> VACANT VACANT <b>Electrician</b> FILLED <b>Utility Worker</b> VACANT
<b>6 * Operator I / OIT</b> FILLED FILLED FILLED FILLED FILLED FILLED	<b>6 * Operator I / OIT</b> FILLED FILLED FILLED FILLED FILLED FILLED	<b>Field Tech</b> FILLED FILLED		

## **F. FEDERAL GRANT 84060101-01 - ACCOMPLISHMENTS IN RELATION TO REQUIRED OUTPUTS AND OUTCOMES**

### **Project Goals, Outputs, and Outcomes**

The main goal of the project is to implement the necessary actions as defined in the Stipulated Order to restore reliable and safe drinking water to all customers of the Jackson Water System. The Consolidated Appropriations Act, 2023, included \$150 million in 1442b grant funding for the City of Jackson's water system. This grant application includes eligible pre-award costs beginning on February 1, 2023. Additionally, because these contracts are required to mitigate the existing emergency situation, noncompetitive procurement may be used based on 2 CFR 200.320(c)(3), the public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation. Further, the Stipulated Order specifically exempts the Interim Third-Party Manager from compliance with Mississippi procurement laws and regulations. Progress on specific projects funded by this grant is detailed herein. Financial reports follow.

### **Outcomes as of September 30, 2024**

#### ***Valve and Hydrant Assessment***

- Valves fully exercised: 1,262 (5,380 Cumulative)
- Op nut repairs: 3 (51 cumulative)
- Uncovered: 384 (737 cumulative)
- Frozen repaired: 0 (11 cumulative)
- Position changed: 126 (677 cumulative)
- Hydrants: 516 (1854 cumulative)
- Leak Loggers Installed: 0 (23 cumulative)

#### ***Service Line Inventory***

- Inventory completed and submitted on October 16, 2024
- Less than 10 LSL found during inventory and the two active ones replaced (others were abandoned, not in service, and removed).
- Predictive model has no other lead service lines
- Over 13,000 galvanized requiring replacement

#### ***Distribution System Leaks – Find and Fix***

- 318 leak repairs in progress at the end of the quarter
- 1249 leaks cumulative leaks repaired (6 inch and less in diameter) since inception
- 2973 repairs (includes small valves, pavement cuts, etc)
- Water production down 28% year over year

### ***Phase 2 O&M Contract – Open Book Reimbursement***

- In place since February 20, 2023

### ***Phase 3 O&M Contract – Long Term Fixed Price***

- Contract executed, effective October 1, 2024 for 10-year term.

### ***Winterization***

- Complete
- Monitoring foundation of membrane building as litigation is pursued related to potential design defects

### ***Corrosion Control***

- Enhanced corrosion control (liquid lime and CO<sub>2</sub>) complete and operational at JH Fewell
- Enhanced corrosion control for OB Curtis incorporated in MCWI project for filters and is with CMAR for bidding and award

### ***Emergency Water Supply***

- JXN Water continues to provide tanker truck water and associated pumping to the Juvenile Detention Center. Pressure in the system appears adequate but on-site issues are making city water service unreliable. Will be corrected with new system being installed as part of the new City Jail project.

### ***System Planning and Stabilization***

- Major tools/systems complete
  - GIS
  - Hydraulic all-pipe model
  - Asset Management
  - Work Order
- Repairs of major pipe breaks
- Masterplan work initiated

### ***Resilient Power Plan***

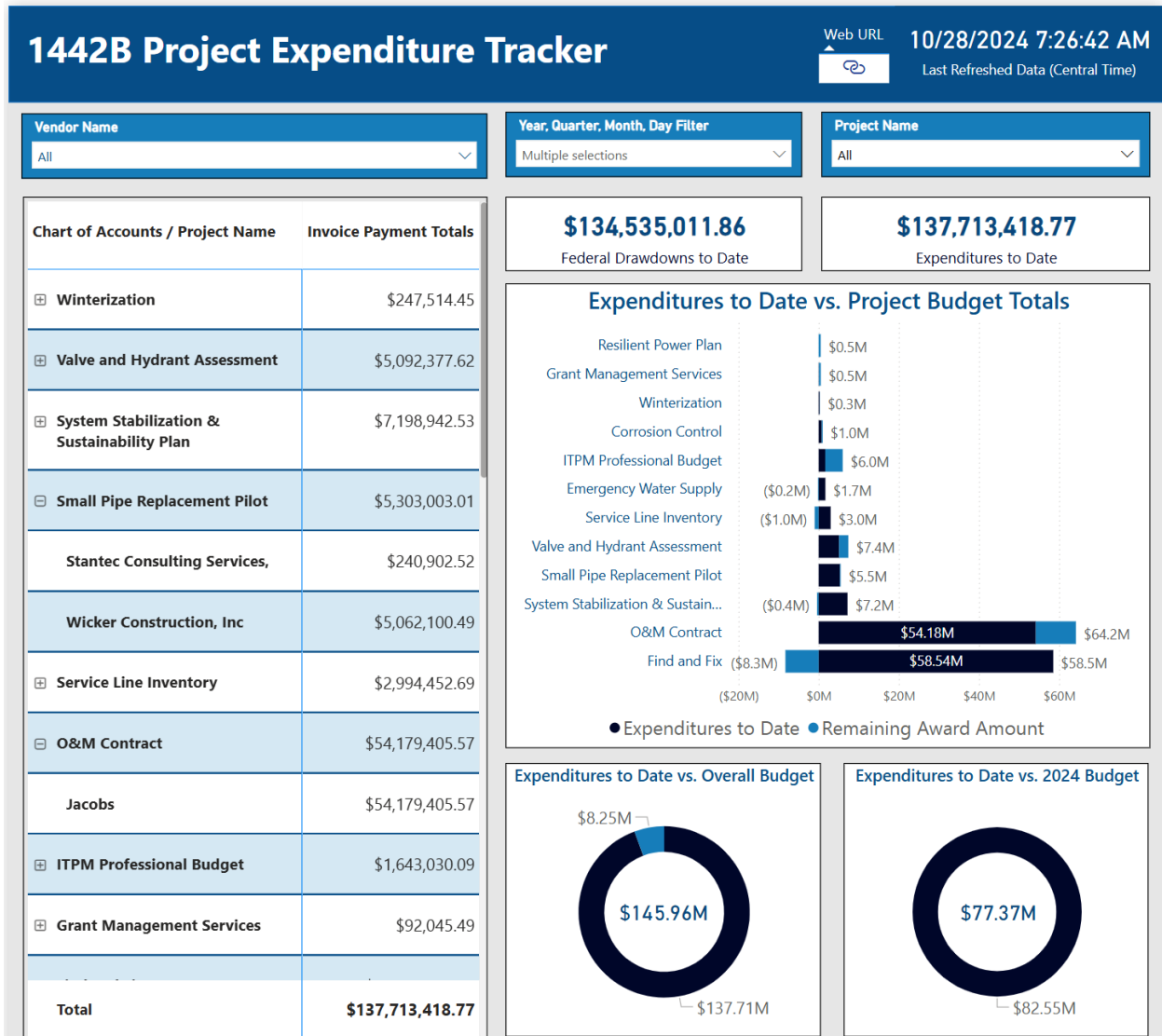
- Assessment and plan complete
- Design start on plan recommendations to be funded with SRF

**Small Pipe Replacement Plan**

- Pilot project with 1 mile of small diameter pipe complete
- Remaining small pipe replacement will be accomplished with SRF

**G. Detailed Accounting of Grant 84060101-0 Funding**

Eligible expenses for the projects approved in the first phase of the grant have been charged to the grant and the ITPM has drawn down Federal funding to pay these costs during the reporting period. Costs incurred after February 2, 2023, are eligible.



## H. Spending Plan

The Financial Management Plan, submitted on January 29, 2024, included a spending plan that extends through the 20-year planning period. The first 5 years of the plan (through 2029) are shown below:

Source	Priority Project No.	Description	Total	2023	2024	2025	2026
1442b	2	Winterization	\$ 0.3	\$ 0.2	\$ 0.1		
1442b	3	Corrosion Control	\$ 1.0	\$ 0.3	\$ 0.7		
1442b	5.a.ii	Valve and Hydrant Assessment	\$ 7.4	\$ 1.9	\$ 5.5		
1442b	5.a.vii	Service Line Inventory	\$ 2.0	\$ 0.2	\$ 1.8		
1442b	5.a.iv	Distribution System Leaks - Find and Fix	\$ 50.2	\$ 23.2	\$ 27.0		
1442b	5 and 6	System Planning and Stabilization	\$ 6.8	\$ 2.8	\$ 2.0	\$ 2.0	
1442b	4	Emergency Water Supply	\$ 1.5	\$ -	\$ 1.0	\$ 0.5	
1442b	13	Resilient Power Plan	\$ 0.5	\$ -	\$ 0.5	\$ -	
1442b		Small Pipe Replacement Pilot	\$ 5.5	\$ -	\$ 5.5		
1442b		ITPM Professional Budget	\$ 6.0	\$ -	\$ 3.0	\$ 3.0	
1442b		Grant Administration	\$ 0.7	\$ 0.3	\$ 0.4		
1442b		EPA Administration	\$ 3.9				
			\$ 85.8				
1442b	1	O&M Contract	\$ 64.2	\$ 26.7	\$ 30.0	\$ 16.2	
		<b>TOTAL 1442b</b>	<b>\$ 150.0</b>	<b>\$ 55.3</b>	<b>\$ 77.4</b>	<b>\$ 22.1</b>	
ARPA	11.a.g	OBC Filters/Conventional and Membrane	\$ 12.0		\$ 12.0		
ARPA		Sewer Find and Fix	\$ 34.0	\$ 4.5	\$ 18.0	\$ 11.5	
		<b>TOTAL ARPA</b>	<b>\$ 46.0</b>				
Comm Grant		Maintenance Facilities Improvements	\$ 2.4		\$ 2.4		
Comm Grant		WSBA Facility Replacement	\$ 1.6	\$ 1.6			
		<b>TOTAL COMMUNITY GRANT</b>	<b>\$ 4.0</b>				
Pay-Go		Distribution System Repairs	\$ 75.0				
Pay-Go		Plant Treatment Processes	\$ 75.0				
Pay-Go		Small Pipe Replacement	\$ 65.0				
Pay-Go		Sewer System Repairs	\$ 182.0		\$ 12.0	\$ 17.0	\$ 22.0
		<b>TOTAL PAY-GO</b>	<b>\$ 397.0</b>				
Active	SRF Loan 3	Membrane Train	\$ 0.3	\$ 0.3			
Active	SRF Loan 3	Membrane Building	\$ 1.5	\$ 1.5			
Active	SRF Loan 3	OBC Winterization	\$ 4.1	\$ 4.1			
Active	SRF Loan 3	JHF Corrosion Control	\$ 5.0	\$ 5.0			
Active	SRF Loan 3	JHF Filters 24/26	\$ 1.8	\$ 1.8			
		<b>TOTAL ACTIVE SRF LOAN 3</b>	<b>\$ 12.7</b>				
SRF Omni	5.a.v	Distribution System Optimization	\$ 50.0		\$ 10.0	\$ 20.0	\$ 20.0
SRF Omni	10	Intake Structure Repair	\$ 15.0		\$ 15.0		
SRF Omni	13	Resilient Power Facilities OBC	\$ 31.8		\$ 6.8	\$ 25.0	
SRF Omni	5	Distribution System Upgrades and Replacements	\$ 50.5	\$ 4.0	\$ 18.0	\$ 18.0	
SRF Omni		OBC Residuals System Upgrade	\$ 34.5		\$ 14.5	\$ 10.0	
SRF Omni		Distribution Storage Upgrades	\$ 27.5	\$ 0.5	\$ 9.0	\$ 9.0	
SRF Omni		Well System Rehabilitation	\$ 22.2		\$ 12.2	\$ 10.0	
SRF Omni		HSPS/Backwash Electrical Upgrades	\$ 11.0		\$ 11.0		
SRF Omni		Membrane Replacement	\$ 3.6	\$ 3.6			
SRF Omni		JHF Pumping Station Conversion	\$ 33.8	\$ 0.8	\$ 10.0	\$ 23.0	
SRF Omni		Chemical Feed Repair OBC	\$ 33.3	\$ 3.3	\$ 30.0		
SRF Omni		SCADA	\$ 13.4	\$ 3.4	\$ 10.0		
SRF Omni		Treatment Process Renewals	\$ 24.5	\$ 8.0	\$ 16.5		
SRF Omni		Small Pipe Replacement	\$ 83.0	\$ 3.0	\$ 40.0	\$ 40.0	
SRF Omni		Retire SRF	\$ 13.9		\$ 13.9		
SRF Omni		EPA Administration/Technical Assistance	\$ 2.0	\$ 1.2	\$ 0.2	\$ 0.2	\$ 0.2
		<b>TOTAL SRF OMNIBUS</b>	<b>\$ 450.0</b>				
SRF Omni (CD)	11.g	General Filter Repairs at JHF	\$ 2.8		\$ 2.8		
USACE 219/WRDA		100 MGD Pump	\$ 5.0		\$ 5.0		
USACE 219/WRDA		Membrane Cassette Purchase	\$ 10.0		\$ 10.0		
USACE 219/WRDA		Small Pipe Replacement	\$ 40.0	\$ 15.0	\$ 15.0	\$ 10.0	
USACE 219/WRDA		Sewer System Work	\$ 50.0	\$ 5.0	\$ 20.0	\$ 30.0	\$ 30.0
USACE 219/WRDA		Dredging Storm Basins at Savanna	\$ 25.0		\$ 10.0	\$ 15.0	

I. **Modifications to the Priority Project List or Schedule**

No modifications to the Priority Project List or Schedule were requested during the quarter. The list remains as submitted with the 2024 Q1 report as follows:

1. **O&M Contract**

- a. Establish, support, and maintain a contract(s) for operation and maintenance of the System. The contract must establish clear level of service goals including minimum appropriate staffing in accordance with Miss. Admin. Code § 15-20-72.2.2.1(5) and all applicable laws and regulations.
  - Phase 1 – Contract operations for both plants and wells based on open-book cost plus model. This phase allows for continued negotiations to long-term contract while contractor is learning more about costs to operate to start by **March 2023**
  - Phase 2 – Contract operations of complete system – including distribution system with an initial 5-year term with options to renew. ~~July 2023~~ **New Date 10/31/2023 in Q1 report. Continuing to address liability concerns with ISO Parties and legal teams. New target date December 31, 2023, subject to resolving liability concerns. Ongoing discussions with DOJ and EPA regarding liability concerns of Jacobs with a long term contract continue to delay this project. New target date is July 1, 2024, for a long-term contract (10-years) with Jacobs for water treatment plant O&M.**
  - **COMPLETE – LONG TERM CONTRACT EXECUTED, EFFECTIVE SEPTEMBER 1, 2024 THROUGH AUGUST 30, 2034.**

2. **Winterization of system** – This project completes work in progress as of the effective date. This work was contracted by the City of Jackson. JXN Water is managing these contracts through Jacobs Consulting. This work is almost complete and Jacobs is reviewing the plants for any gaps and will provide a detailed assessment of any needed further measures.

- a. Develop and implement to the extent funding and schedule permit a comprehensive plan to properly winterize both O.B. Curtis and J.H. Fewell.
  - Short term immediate measures – **March 2023**
  - Plan for longer-term measures – **July 2023**
  - Implement plan for winter 2023/2024 – **December 2023**
- b. Complete membrane winterization project.
  - ~~August 2023~~ **Winterization is complete. Final close out underway. Foundation issues discovered that may delay closeout. Timing for correction of these defects cannot be estimated at this time.**

3. **Corrosion control** – This project was originally intended to complete the projects that were under construction as of the ISO effective date. A full review has resulted in JXN Water requesting

a change from the approved OCCT from the MSDH. Approval is anticipated based on discussions with MSDH and implementation will be complete by the end of Q4.

- a. Address any outstanding issues impeding full implementation of optimized corrosion control treatment (“OCCT”) at J.H. Fewell and O.B. Curtis, and complete implementation of such OCCT as required by MSDH and consistent with the MSDH-approved OCCT plans to meet State-approved water quality parameters.

- ~~September 2023~~ **Lead time on equipment slowed the completion of the JH Fewell OCCT. This system was completed in October 2023 and put into full operation in December 2023. Re-evaluation of the approved OCCT plan for OB Curtis resulted in changing from the Soda Ash based system to liquid lime and CO2 (matching the OCCT for JH Fewell). A request for approval of that change was submitted to MSDH in December 2023 and implementation is moving forward in anticipation of approval. Completion of the OCCT at OB Curtis (assuming MSDH approval) will be ~~June 30, 2024~~ December 2024.**

- **MSDH has approved plan. CMAR negotiations underway. New completion date to be submitted in Q4 once CMAR negotiations conclude.**

#### 4. **Alternative water source plan**

- a. Implement an Alternative Water Source Plan (“AWSP”) including entering into agreements for the immediate provision of alternative water - at least one gallon per person per day. **A revised plan scope was submitted to EPA on September 19, 2023. EPA and MSDH provided no comments within the 20-day comment period. The new scope is as follows: Implement an Emergency Water Supply Plan to provide pressurized temporary connections and tanker truck supplied potable water to customers impacted by JXN Water work on the distribution system or as a temporary measure until distribution system improvements can be completed.**

- **Complete - The plan was implemented effective September 30, 2023**

#### 5. **System Planning and Stabilization**

##### a. **Distribution system**

- b. Develop a plan for EPA review and approval for distribution system study and analysis to include at a minimum: ~~Plan submittal July 2023 (within 60 days — no schedule adjustment required)~~ **Development of this plan was slowed by the need to complete mapping and the hydraulic model before the study and analysis could be completed. This work was further slowed by the extensive engineering effort required to assist with leak detection and “find and fix”. The model became functional in November 2023 and the study and analysis is proceeding with a technical memo submitted in Q1 2024.**

- I. A GIS-based dynamic hydraulic model
- II. Valve and hydrant location and assessment, including valve size



- III. An asset management system
  - IV. Water loss identification and reduction
  - V. System operation optimization and configuration standards
    - 1. Pressure study – HGL analysis
    - 2. Implement pressure control/pressure zones/booster pumping as recommended and as funding and schedule permit.
      - ii. Corrosion control
      - iii. Service line inventory and replacement planning
    - 1. Prioritize replacement of any lead lines found, with schedule approved by EPA and MSDH.
    - 2. Update lead service line replacement plan in compliance with Lead and Copper Rule Revisions.
  - b. ~~Implement plan as funding and schedule permit.~~ **Implementation of many activities has commenced with all elements to commence no later than plan approval date. Implementation will continue into 2024 and beyond.**
  - b. **System stabilization and sustainability plan - ~~March 2023 New date 10/31/2023 in Q1 report.~~**
    - I. Develop a sustainable plan to stabilize and invest in the water system to ensure safe and reliable drinking water for all of Jackson, all the time.
    - II. Key areas to be addressed include sustainable revenue models, appropriate levels of renewal and replacement, asset management plan, service levels, water demand modeling, and other related factors.
      - ~~This plan requires input from distribution system plan (PPL 5) as well as Jacobs' condition assessment (draft submitted in October 2023).~~ **Completion by December 31, 2024.**
6. Combined with 5 above
7. **SCADA system improvements** – sensors, actuators, sensors, etc. This project is to evaluate and replace the SCADA system at OB Curtis and JH Fewell.
- ~~September 2023 – unable to estimate completion until upgrade evaluation is completed in September 2023 (30 percent design) at which time construction schedule will be developed and submitted.~~ **Design work commenced in Q3 with scope limited to prepare 30 percent design in Q1 2024. SCADA replacement estimated complete in 2026.**
  - ~~\_\_\_\_\_~~
8. **Chemical systems at plants and wells**
- Assess and repair, as necessary, all chemical feed pumps and associated equipment at all facilities, including but not limited to; controls, sensors, weight indicators, and feed lines, to return all chemical feeds to fully functional status, ensure operational redundancy, and establish flow paced automated dosing for all chemical feed systems.
    - ~~Complete Oct 2023 This project changed from a repair effort to a complete replacement of all chemical feed systems at OB Curtis once engineering~~

~~began. PP 9 has been included in the design. Project is currently at 90 percent. Schedule for contract completion extends to end of 2024.~~

- Design complete and CMAR developing contract package. Project delayed pending SRF approval. New completion date to be submitted in Q4 once CMAR schedule is locked in.

9. Chlorine system improvements at O.B. Curtis

a. Make replacements or immediate interim repairs as necessary for continuous safe operation.

- **February 2023** – Complete to operate in accordance with Jacobs’ safety protocols.

b. Develop and implement plan to eliminate use of gaseous chlorine at O.B. Curtis.

- ~~Plan has been developed and design started to be accomplished in coordination with PP 8. Design is at 90 percent. Construction schedule to be refined by CMAR in Q2 2024.~~
- Included with PP8. See update above.

10. Intake Structure Repairs

a. Assess and repair, as necessary, the intake structures at J.H. Fewell and O.B. Curtis, including, but not limited to, sensors (including related remote SCADA capabilities), chemical feed systems, valves, electrical components, screens, physical structure, and any appurtenances, to return the intake structures and related components to fully operational status.

- ~~Complete December 2023 – JHF scope may be much more complex and if so – a specific schedule will be developed once assessment is complete in Summer 2023.~~
- This has been delayed by other priorities at the OB Curtis Plant. Jacobs will begin assessment and design in early 2024 with an estimated completion date of December 2025 due to the slow SRF funding process.

11. Treatment facilities (J.H. Fewell and O.B. Curtis as applicable) unit processes and pumps – evaluate performance and restore redundancy – **Start Dec 2022 with assessment by JACOBS. Work accomplished throughout 2023 in coordination with JACOBS as contract operator. No completion date can be established until the extent of repair/remediation/replacement work can be fully determined.**

- a. Membrane system
- b. Raw water pumping and screening
- c. Oxidation basins
- d. Rapid mix
- e. Flocculation and sedimentation
- f. Sludge removal
- g. Filters
- h. UV
- i. Transfer pumping
- j. High service pumping

12. **Sludge assessment in all finished water storage facilities**

- a. Assess sludge levels and remove as required. Develop operating procedures to minimize future sludge accumulation in all finished water storage facilities.  
~~Assessment June 2023 – Assessment could not be completed. Divers met with JXN Water staff and Jacobs on site to plan assessment and determined the treatment facilities are unable to safely shut down for the time required for the divers to perform assessment. This project will be re-evaluated at the end of 2024. Accomplishment is dependent on continued progress on distribution system repairs and plant redundancy.~~

~~Removal, if required, December 2023~~

Jacobs located vendor with remote operating vehicle that was able to inspect both clear wells without shutting down the plant. Clear well 2 had little sedimentation. Clear well 1 had approximately 2 feet of lime sediment that will be removed with the Chemical Feed project when new chemical dosing ports are installed with new baffles in the clear wells.

13. **Resilient power plan**

- a. Assess power vulnerability throughout the system and develop and implement a plan to address issues identified in the assessment, as funding and schedule permit.

~~Assessment September 2023. Technical Memo to be submitted Q1 2024. Initiating design to be accomplished under SRF. Schedule of construction yet to be determined.~~

Design started in Q3 to be accomplished with SRF funding. Long lead time on generators may delay final completion date.

## J. Project Status Updates

Table 5. Status Updates from JXN Water

Status Change Quarter Ending September 30, 2024	Status Quarter Ending September 30, 2024	Delays	Projection of Work Ending Quarter Ending December 31, 2024
<i>Entire System Stabilization</i>			
Continued stabilization actions	<p>JHF Flow Control (West) - Completed replacing valves on Fewell west side to allow control of finished water flows.</p> <p>Completed majority of the tie ins on new 48" transmission between High Street and Rankin Street.</p> <p>Discovered leak in 42" at Forest Ave/Highway 49.</p> <p>Kicked off subsurface leak program.</p> <p>Completed tie ins on 20" transmission at MMC Railyard.</p> <p>Continued expanding work order and asset management software to collect more attributes and data.</p>	None	<p>Complete all remaining tie ins on new 48" transmission between High Street and Rankin Street.</p> <p>Repair leak in 42" at Forest Ave/Highway 49.</p> <p>Continue to advance subsurface leak program.</p>
<i>South Jackson System Stabilization</i>			
Continued stabilization actions	Completed first small line replacement pilot project.	None	Continue to advance small line replacement projects.

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
1	O&M Contract	O&M contractor progressing work.	<p>Focused on backfilling maintenance staff positions.</p> <p>Received acknowledgement from state for bin reassignment for crypto and giardia at JHF. Still waiting on states response for radiological sampling frequency.</p> <p>Continued with pulling, repairing, and returning to service raw water pumps, high service pumps, and transfer pumps, and blowers to further stabilize the plants.</p> <p>Continued flushing and inspection of distribution tanks.</p> <ul style="list-style-type: none"> <li>▪ Worked with JXN Water and others to support the optimization of storage and distribution while maintaining water age and water quality.</li> </ul> <p>Completed installation of remaining membrane train cyclic valves at OBC.</p> <p>Finalized installation of new chlorine feed equipment and remote monitoring at all six wells.</p> <p>Finalized modifications of ammonia and chlorine flow pacing at OBC.</p> <p>Reviewed condition and needed repairs of Clearwells at OBC for future project sequencing.</p> <p>Completed structural repairs on membrane train1.</p>	<ul style="list-style-type: none"> <li>▪</li> </ul>	<p>Complete Highway 18 Ground Storage Tank inspection to determine repair path.</p> <p>Coordinate operations with upcoming construction project sequencing.</p> <p>Continue distribution system flushing for the continued reduction of disinfection by products.</p> <p>Obtain states response for radiological sampling frequency.</p> <p>Complete investigations and structural repairs on membrane train 3.</p>
2	Winterization	<ul style="list-style-type: none"> <li>▪ Project construction is completed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Winterization</b></li> <li>▪ Project construction is completed. Administrative project closeout.</li> <li>▪ <b>Membrane Building</b></li> <li>▪ Project construction is completed. Administrative project closeout.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Delays related to the CO2 Tank pad location and decision on soda ash and dehumidification scope of work impacted project completion date.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Winterization</b></li> <li>▪ Project construction is completed. Administrative project closeout.</li> <li>▪ <b>Membrane Building</b></li> <li>▪ Project construction is completed. Administrative project closeout.</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
3	Corrosion Control - JHF CO <sub>2</sub> Chemical Feed Equipment Project Construction	<p>JHF CO<sub>2</sub> Chemical Feed Equipment Project Construction</p> <ul style="list-style-type: none"> <li>▪ Project construction is completed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>JHF CO<sub>2</sub> Chemical Feed Equipment Project Construction</b></li> <li>▪ Project construction is completed. Administrative project closeout.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>JHF CO<sub>2</sub> Chemical Feed Equipment Project Construction</b></li> <li>▪ Equipment procurement delays have added 27 days per Change Orders 1, 2, and 3.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>JHF CO<sub>2</sub> Chemical Feed Equipment Project Construction</b></li> <li>▪ Project construction is completed. Administrative project closeout.</li> </ul>
3	Corrosion Control – OBC Liquid Lime	Consultant progressing work status	<ul style="list-style-type: none"> <li>▪ <b>Corrosion Control – OBC Liquid Lime</b></li> <li>▪ Completed 100% design.</li> <li>▪ Initiated procurement of remaining equipment items.</li> <li>▪ Prepared operational plans to support construction phasing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Corrosion Control – OBC Liquid Lime</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Initiate construction.</li> </ul>
5a	Distribution Plan for EPA Review and Approval	Completed plan and submitted to JXN Water.	<ul style="list-style-type: none"> <li>▪ No action this period.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to advance efforts outlined in the submitted plan.</li> </ul>
5ai.1	Hydraulic Model System Analysis	<ul style="list-style-type: none"> <li>▪ Consultant progressing work.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Data Collection</b></li> <li>▪ Continued gathering data for hydraulic model development as data becomes available.</li> <li>▪ Stantec, with support from LEC, repaired broken loggers, continued analyzing data and identified data gaps and technical issues with the LEC/IQ2 platform. Stantec downloaded the data from the platform weekly and imported it into a spreadsheet for ease of reviewing.</li> <li>▪ <b>Hydraulic Modeling</b></li> <li>▪ Stantec began building and calibrating the all-pipe model based on the latest GIS database. This includes model network review/updates, demand development, demand allocation, field testing, field data review and calibration. Meter data from the READy system was downloaded and compared it to Stantec Task Order 15, Meter Verification data.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Developing the system demand was more effort than budgeted. The demand was developed by comparing and analyzing data from READy (meter data), Stantec Task Order 15, Meter Verification, and production data. There was untrustworthy data, data gaps and conflicting information based on the sources that were not anticipated.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Finish calibration of the all-pipe model and submit an addendum to the Model Build TM to summarize calibration results.</li> <li>▪ Submit the transient (surge) analysis of the distribution system and identify mitigation measures for water hammer in the system that may be causing new water leaks.</li> <li>▪ Continue performing model analyses as requested by JXN Water</li> <li>▪ Continue reviewing data as needed for model updates.</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
			<ul style="list-style-type: none"> <li>▪ <b>South Jackson Alternative Analysis</b></li> <li>▪ None this period</li> <li>▪ <b>Tank Analysis</b></li> <li>▪ Stantec submitted a Technical Memorandum summarizing the tank survey results and identifying discrepancies between existing data and survey.</li> <li>▪ <b>Model Analysis</b></li> <li>▪ The following model analyses were performed or are in progress: JH Fewell Offline. Water Age/DBP Analysis of Surface Water System, Merit Hospital Design Support and Thomas Catching Bridge Suspended Waterline Design Support.</li> <li>▪ <b>Surge Analysis</b></li> <li>▪ Stantec performed a transient/surge analysis of the JH Fewell and OB Curtis WTPs High Service Pump Station. The report from the analysis will be submitted in the following reporting period.</li> </ul>		
5ai.2	Master Plan	<ul style="list-style-type: none"> <li>▪ Proposal submitted and approved by JXN Water</li> <li>▪ Task Order 20 was approved by JXN Water which included scope and budget to perform complete Water Master Plan and prioritized CIP list.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Finalized evaluation criteria.</li> <li>▪ Review system demand and production to be used for evaluating existing conditions.</li> <li>▪ Collaboration with Jacobs on documents and activities that will feed into evaluation of existing system</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ Evaluate existing system using evaluation criteria, updated hydraulic model, and condition data of vertical assets.</li> <li>▪ Write draft Existing System Analysis Technical Memorandum</li> </ul>
5ai.3	Water Loss Investigations Pilot Studies	<ul style="list-style-type: none"> <li>▪ The task started this quarter with pilot testing of leak detection technologies.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Two vendors were selected to undertake the leak detection pilot test, and technologies deployed on the water distribution system.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ A third is scheduled for the week of 14 October 2024. We are in discussions with a fourth vendor to determine suitability for the project.</li> <li>▪ Preliminary results and recommendations from the technology pilot study to be shared with JXN Water</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
5.a. ii	Valve and Hydrant Assessment	Consultant progressing work.	<p>Continued assessing valve condition in areas of concern.</p> <p>Completed the following repairs and field activities:</p> <ul style="list-style-type: none"> <li>• Valves fully exercised: 1,262 (5,380 Cumulative)</li> <li>• Op nut repairs: 3 (51 cumulative)</li> <li>• Uncovered: 384 (737 cumulative)</li> <li>• Frozen repaired: 0 (11 cumulative)</li> <li>• Position changed: 126 (677 cumulative)</li> <li>• Hydrants: 516 (1854 cumulative)</li> <li>• Leak Loggers Installed: 0 (23 cumulative)</li> </ul>	<p>3.9 days were delayed due to equipment issues</p> <p>12.4 days were delayed due to unplanned PTO or call out of work</p> <p>8.1 days were delayed due to inclement weather</p> <p>5.8 days were delayed due to truck issues</p> <ul style="list-style-type: none"> <li>▪ 16.4 days were delayed due to mandatory training</li> </ul>	<p>Continue transmission main assessments and repair activities focusing on South Jackson during the next quarter.</p> <p>Continue assessing the entire distribution system valves.</p> <p>Begin the hydrant painting</p> <ul style="list-style-type: none"> <li>▪</li> </ul>
5a.ii.1	Altitude Valve Assessment	<ul style="list-style-type: none"> <li>▪ Proposal submitted and approved by JXN Water</li> <li>▪</li> </ul> <p>TO 07 included scope and budget to perform a field assessment of the altitude vales within the water distribution system</p>	<ul style="list-style-type: none"> <li>▪ <b>Management Valve Repair Program</b></li> <li>▪ Initial evaluations of the altitude valve within the system are completed.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Management Valve Repair Program</b></li> <li>▪ Altitude valves requiring replacement have been identified. The project to replace the non-working altitude valves is included in the facilities addendum to be submitted to the MSDOH. The original Facilities Plan is submitted and expected to be approved during Q3 of 2024.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Management Valve Repair Program</b></li> <li>▪ Construction documents and bid specifications are expected to be developed for the altitude valves listed as needing to be replaced. The anticipated bid is in Q3 2025.</li> <li>▪</li> </ul>
5a.ii.3	Valve Repair and Replacement	<ul style="list-style-type: none"> <li>▪ Draft Bid Package Awaiting SRF Funding availability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Stantec is working with a condition assessment team (Wachs) to identify replacements.</li> <li>▪ Stantec prepared preliminary bid packages to replace valves assessed as non-operational valves throughout the water system.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Condition Assessment completed.</li> <li>▪ Awaiting MSDOH approval of SRF Funding</li> </ul>	<ul style="list-style-type: none"> <li>▪ JXN Water to publicly bid projects and award Contractor(s).</li> </ul>



PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
			<ul style="list-style-type: none"> <li>▪ Non-operational valves continue to be replaced as emergency projects as needed.</li> <li>▪ Approximately 152 system valves have been replaced as emergency projects.</li> </ul>	Facilities Plan to be approved to release funding for project.	<ul style="list-style-type: none"> <li>▪ Anticipate non-emergency valve replacements to begin once SRF Funding has been allocated.</li> </ul>
5a.ii.4	Hydrant Replacements	<ul style="list-style-type: none"> <li>▪ Draft Bid Package Awaiting SRF Funding availability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Stantec is working with a condition assessment team (Wachs) to identify replacements.</li> <li>▪ Stantec has prepared preliminary bid packages to replace hydrants assessed as non-operational throughout the water system.</li> <li>▪ Non-operational hydrants have been replaced as emergency projects as needed.</li> <li>▪ Approximately 263 fire hydrants have been replaced as emergency projects.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Condition Assessment completed.</li> <li>▪ Awaiting MSDOH approval of SRF Funding Facilities Plan to be approved to release funding for project.</li> <li>▪</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ JXN Water to publicly bid projects and award Contractor(s).</li> <li>▪ Anticipate non-emergency hydrant replacements to begin once SRF Funding has been allocated.</li> </ul>
5a.ii.5	Water taps	Consultant progressing work	<p>Details of the completed / ongoing activities:</p> <ul style="list-style-type: none"> <li>• New water tap requests – 18</li> <li>• New sewer tap requests - 6</li> <li>• New water meter downsize requests – 29</li> <li>▪ 43 water tap installations in progress</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ The administration services and construction management are ongoing as new applications for water taps are received</li> </ul>
5a.iii.1	Development of Comprehensive GIS Map to support Hydraulic Modeling / Other Activities	Consultant completed mapping effort.	<ul style="list-style-type: none"> <li>▪ Task Order complete.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
5a.iii.2	GIS Field Data collection and mapping services	Consultant completed GIS Field Data collection effort.	<ul style="list-style-type: none"> <li>▪ Task Order complete.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> <li>▪</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
5aiii.3	GIS Data Integration	Consultant Progressing Work	<p>Expanded Service territory. Integrating ongoing data collected in TO2 (valves/Hydrants) Integrating construction activities to GIS Digitized Byram area from record drawings Georeferenced 'scrolls' and will be publishing a tile feature service to use in GIS application for reference.</p> <ul style="list-style-type: none"> <li>▪ Integrated first modeling-based edits</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ Incorporate new as-built information into the GIS completed during construction activities from project start.</li> <li>▪ Support Task Order 5, Information and Asset Management (CMMS) data integration.</li> <li>▪ Support Sewer data migration to an enterprise geodatabase and utility network model.</li> <li>▪ Support well system source data provide from modeling-based efforts</li> </ul>
5.a.iv	Distribution System Leaks – Find and Fix	Consultant progressing work.	<ul style="list-style-type: none"> <li>▪ Evaluated backlog of known leaks (focus on pipe diameters 6 inches and smaller).</li> <li>▪ Performing Drive-by Windshield Leak Detection Survey of all roads in the JXN Water service area.</li> <li>▪ Performed real time leak detection identification and issued Work Orders to Contractors.</li> <li>▪ Inspection of Utility Cut Operations.</li> <li>▪ Provided Summary Update of program progress.</li> <li>▪ Provided Quarterly Update of Program progress.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to progress project and issue repair work orders.</li> <li>▪ Continue real-time leak detection identification.</li> <li>▪ Continue PM Field Related Activities.</li> </ul>
5aiv.1	Water Distribution – Asset Information	<ul style="list-style-type: none"> <li>▪ Consultant Progressing Work</li> </ul>	<ul style="list-style-type: none"> <li>▪ Micro Blueprint completed scanning historical utility documents known as “scrolls.”</li> <li>▪ Documented asset definitions and asset hierarchy for water distribution.</li> <li>▪ Continued determining likelihood of failure (LOF) for Risk utilizing condition data.</li> <li>▪ Updated Asset Risk Data Gap analysis and Improvement Plan.</li> <li>▪ Completed Technical Memorandum for methodology for calculating Business Risk Evaluation (BRE) for water distribution assets and processes to keep the data identified for asset risk populated.</li> <li>▪ Completed JXN Water valve condition assessment based on assessment based on Wachs Water field data.</li> <li>▪ Completed JXN Water hydrant condition based on assessment based on Wachs Water field data.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ Determine business requirements for document management.</li> <li>▪ Conduct risk appetite workshop to synthesize operations and determine Likelihood of Failure (LOF) for Risk utilizing condition data.</li> <li>▪</li> </ul>

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			<ul style="list-style-type: none"> <li>Began developing workflows with GIS to create a continuous asset information update cycle.</li> <li>Conducted change management baseline workshop to establish milestones and key performance indicators for Cartegraph Implementation</li> </ul>		
5aiv.2	Water Distribution - Cartegraph – Post Go Live Support	Addendum Being Prepared	<ul style="list-style-type: none"> <li>Continuous improvement efforts to Cartegraph configurations and processes with Inspectors and Maintenance Contractors.</li> <li>Enhanced data collection features in Cartegraph.</li> </ul> <p>Continued mapping workflows between Billing and Cartegraph</p>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Complete workflows and perform Cartegraph configurations with Billing.</li> </ul> <p>Enhance data collection features in Cartegraph</p>
5aiv.3	Sewer Collection Asset Information	Consultant Progressing Work	<ul style="list-style-type: none"> <li>Continued configuring Cartegraph for Sewer collection.</li> <li>Drafted a method for incorporating sewer GIS data into the Utility Network</li> <li>Determined Level of Service Technical Memo with relevant key performance indicators (KPI) for sewer.</li> </ul> <p>Determined LOF for sewer collection assets.</p>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Go Live with Cartegraph for Sewer.</li> <li>Load GIS Sewer Data into the Utility Network to Go Live</li> </ul> <p>Train JXN Water staff on editing in the Utility Network for Sewer</p>
5av.1	Management of Leak Detection and Repair Program	Consultant Progressing Work	<ul style="list-style-type: none"> <li>Stantec is providing management and inspection services associated with the small diameter leaks for JXN Water. Stantec is working to triage, prioritize, and assign the leaks to the appropriate contractor and provide onsite assistance with safety and QA/QC of the work being performed.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	<p>Continue to provide management and inspection services.</p>
5.a.v.2	Management of Identification and Repair of Major Water System Leaks	Consultant progressing work.	<ul style="list-style-type: none"> <li><b>48-inch main break on former Colonial Country Club</b></li> <li>Project complete.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Project complete.</li> </ul>
5.a.v.2 5av.3	Management of	Consultant progressing work.	<ul style="list-style-type: none"> <li><b>48-inch ARV leak on East Beasley Road</b></li> <li>ARV Installed and tested</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Project complete.</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
	Identification and Repair of Major Water System Leaks Sample Tap / Station Replacements	Construction Ongoing	<ul style="list-style-type: none"> <li>▪ <b>30-inch main break crossing Town Creek at Fortification and Prentiss Streets</b></li> <li>▪ Project construction is substantially complete. Waterline installed and in-service.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contractor availability to complete due to other emergency work</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate all remaining finish work associated with repairs to be completed by the end of November 2024.</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>20-inch break on railroad easement south of Fortification Street –</b></li> <li>▪ The bore under the railroad is complete with installation of casing under KCS Railroad. The water line is installed and in service.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contractor availability to complete due to other emergency work</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate all remaining finish work associated with repairs to be completed by the end of November 2024.</li> <li>▪</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>Pipe and Valve Replacement @ Intersection of Prentiss and Fortification</b></li> <li>▪ The project is substantially complete. The contractor is working to complete clean-up and punch list work.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate repairs to be completed by the end of October 2024.</li> <li>▪</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>Northside Dr 24-inch Valve Replacement and Chastain Dr. Valve Replacements</b></li> <li>▪ Two new valves and associated piping were installed, and the site has been restored.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project complete.</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>20-inch Pipe Replacement Emergency (Fortification – Palmyra to Prentiss)</b></li> <li>▪ The water line is operational, and the old water line has been abandoned.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project complete.</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>20-inch Pipe Replacement Design (Fortification – Prentiss to I-220)</b></li> <li>▪ Stantec is working on 90% design to replace pipeline.</li> <li>▪ Stantec has prepared a pothole plan and potholing is on-going.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Railroad easement access permissions and permits need to be obtained.</li> <li>▪ SRF Funding Facilities Plan to be approved before the project can be bid.</li> <li>▪ Potholing is taking longer than anticipated</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to work with Railroad for easement access permissions and permits.</li> <li>▪ Project design completion is anticipated by end of fourth Quarter 2024.</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
				due to utility marking and traffic control.	
			<ul style="list-style-type: none"> <li>▪ <b>30-inch Pipe Design (Gallatin &amp; McDowell)</b></li> <li>▪ Stantec is working on 90% design to replace pipeline.</li> <li>▪ Stantec completed potholing based on the preliminary alignment.</li> <li>▪ Stantec prepared several options to bore across MDOT ROW along Gallatin and is coordinating with MDOT of preferred option.</li> <li>▪ Structural analysis of existing aerial crossing completed, existing aerial crossing cannot be reused due to lack of as-built plans and permitting required to impact creek to determine evaluate existing supports.</li> <li>▪ Stantec permitting with CN RR to obtain ROE permit to pothole existing casing across CN RR ROW for reuse instead of new bore. Project may be broken into two to accelerate bidding ahead of CN RR and MDOT approvals.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Railroad easement access permissions and permits need to be obtained.</li> <li>▪ New easements may be required to be obtained for RR Crossing.</li> <li>▪ SRF Funding Facilities Plan to be approved before the project can be bid.</li> <li>▪ MDOT review and acceptance of crossing plan.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complete design and specifications for public bidding and procure Contractor.</li> <li>▪ Anticipate repairs to begin in 2025 depending on the timing of the approval from the Railroad and MDOT.</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>20-inch Pipe Design (Siwell Rd - McClure St to Terry Rd)</b></li> <li>▪ Site survey completed.</li> <li>▪ Stantec completed preliminary alignment and potholing plan.</li> <li>▪ Project put on hold to complete condition assessment to determine scope of replacement.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SRF Funding Facilities Plan to be approved before the projects can be bid.</li> <li>▪ Condition assessment to be completed to scope replacement.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complete design and specifications for public bidding and procure Contractor.</li> <li>▪ Anticipate repairs to begin in 2025 based on the condition assessment evaluation.</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>30-inch Pipe Design (West St and Rankin Rd)</b></li> <li>▪ Site survey and geotechnical investigations completed.</li> <li>▪ Stantec preparing preliminary alignment and potholing plan.</li> <li>▪ Investigating potential easements to move trenchless creek crossing to avoid street shutdown.</li> <li>▪ Working on CN RR Crossing design and permit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Railroad easement access permissions and permits need to be obtained.</li> <li>▪ SRF Funding Facilities Plan to be approved before the project can be bid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complete design and specifications for public bidding and procure Contractor.</li> <li>▪ Anticipate repairs to begin in 2025 depending on the timing of the approval from the Railroad.</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
			<ul style="list-style-type: none"> <li>▪</li> <li>▪ <b>Merit Hospital Fire Line Connection Pipeline Design (Project No. 2309)</b></li> <li>▪ Easement research and coordination completed.</li> <li>▪ Existing main potholed. Existing alignment survey completed.</li> <li>▪ Working on preliminary pipeline alignment.</li> <li>▪ Field testing to be completed for hydraulic analysis to size proposed pipeline.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Easement research to reduce project impact to public street</li> <li>▪ SRF Funding Facilities Plan to be approved before the projects can be bid.</li> <li>▪ Hydraulic testing and analysis to size proposed pipeline.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate design completion for public bid by December 2024.</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>Sampling Station Replacements</b></li> <li>▪ The contractor has completed sample station replacement of Packages 1 &amp; 2 and is currently working to complete Package 3.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Existing taps were not usable on 29 locations. New taps had to be provided for these locations, adding additional work to the project.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate project to be completed by the end of November 2024.</li> </ul>
5avi.1	Develop Standard Details & Specifications for 2-Inch Water Main Replacement Pilot Project	Construction ongoing	<ul style="list-style-type: none"> <li>▪ Project substantially complete. Punch list provided to contractor</li> </ul>	<ul style="list-style-type: none"> <li>▪ The contractor experienced delays due to existing waterlines not being in locations shown on the plans and difficulty finding working valves to control the water when making new connections.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The punch list is expected to be completed by the end of October 2024.</li> <li>▪</li> <li>▪</li> </ul>
5.a.vi.2	Distribution System Small Main Replacement	Consultant progressing work.	<ul style="list-style-type: none"> <li>▪ <b>Choctaw Village Water &amp; Sewer Replacement Design (Project No. 2310)</b></li> <li>▪ 90% Design completed and reviewed.</li> <li>▪ Water and gas line potholing in Choctaw Village completed.</li> <li>▪ Stantec is working on completing 100% design.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SRF Funding Facilities Plan to be approved before the projects can be bid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Design and specifications will be completed for Choctaw Village, and the project will be publicly bid. Anticipate project to be ready for bid by November 2024 assuming funding is SRF allocated.</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
				<ul style="list-style-type: none"> <li>▪ Sewer replacement scope changes have delayed project completion.</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
5.a.vi.2 5avii.1	Distribution System Small Main Replacement Lead Service Line Inventory	Consultant progressing work. Consultant progressing work.	<ul style="list-style-type: none"> <li>▪ <b>Broadmoor Area Water &amp; Sewer Replacement Design (Project No. 2311) - 1 percent</b></li> <li>▪ Stantec is preparing design scope and fee.</li> <li>▪ Not a contracted project yet.</li> <li>▪ Potholing completed to confirm line size and location.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SRF Funding Facilities Plan to be approved before the project can be designed and bid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate project NTP on design work in Q4 2024.</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>Brown Street Water &amp; Sewer Replacement Design (Project No. 2312)</b></li> <li>▪ Stantec is preparing design scope and fee.</li> <li>▪ Not a contracted project yet.</li> <li>▪ Potholing completed to confirm line size and location.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SRF Funding Facilities Plan to be approved before the project can be designed and bid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate project NTP on design work in Q4 2024.</li> <li>▪</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>East Oak Forest/Emerald Hills/Emerald Acres Water &amp; Sewer Replacement Design (Project No. 2322)</b></li> <li>▪ Stantec is preparing design scope and fee.</li> <li>▪ Not a contracted project yet.</li> <li>▪ Potholing completed to confirm line size and location.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ SRF Funding Facilities Plan to be approved before the project can be designed and bid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate project NTP on design work in Q4 2024.</li> <li>▪</li> <li>▪</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>Oakdale Water &amp; Sewer Replacement Design (Project No. 2323)</b></li> <li>▪ Stantec is preparing design scope and fee.</li> <li>▪ Not a contracted project yet.</li> <li>▪ Potholing completed to confirm line size and location.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SRF Funding Facilities Plan to be approved before the project can be designed and bid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate project NTP on design work in Q4 2024.</li> <li>▪</li> <li>▪</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>Westside Park Water &amp; Sewer Replacement Design (Project No. 2327)</b></li> <li>▪ Stantec is preparing design scope and fee.</li> <li>▪ Not a contracted project yet.</li> <li>▪ Potholing completed to confirm line size and location.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SRF Funding Facilities Plan to be approved before the project can be designed and bid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate project NTP on design work in Q4 2024.</li> <li>▪</li> <li>▪</li> </ul>

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			<ul style="list-style-type: none"> <li>▪ <b>Surface Restoration Projects Water &amp; Sewer Replacement Design (Project No. 2328)</b></li> <li>▪ Stantec is preparing design scope and fee.</li> <li>▪ Not a contracted project yet.</li> <li>▪ Potholing completed to confirm line size and location.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SRF Funding Facilities Plan to be approved before the project can be designed and bid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate project NTP on design work in Q4 2024.</li> <li>▪</li> <li>▪</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>Briarwood Water &amp; Sewer Replacement Design (Project No. 2329)</b></li> <li>▪ Stantec is preparing design scope and fee.</li> <li>▪ Not a contracted project yet.</li> <li>▪ Potholing completed to confirm line size and location.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SRF Funding Facilities Plan to be approved before the project can be designed and bid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate project NTP on design work in Q4 2024.</li> <li>▪</li> <li>▪</li> </ul>
			<ul style="list-style-type: none"> <li>▪ <b>Canton Heights Road &amp; North Colony Water &amp; Sewer Replacement Design (Project No. 2330)</b></li> <li>▪ Stantec is preparing design scope and fee.</li> <li>▪ Not a contracted project yet.</li> <li>▪ Potholing completed to confirm line size and location.</li> </ul>	<ul style="list-style-type: none"> <li>▪ SRF Funding Facilities Plan to be approved before the project can be designed and bid.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Anticipate project NTP on design work in Q4 2024.</li> <li>▪</li> <li>▪</li> <li>▪</li> </ul>
			<ul style="list-style-type: none"> <li>▪ 1,401 potholes have been dug at 510 sites (schools and residential/commercial properties) to date. 453 potholes dug at 195 sites during Q2 2024.</li> <li>▪ Coordination meetings with Blue Conduit (predictive modeling), Ace Pipe Cleaning (potholing contractor), HDR (public relations), and Jacobs (water quality testing). Bi-weekly Lead Program Compliance meetings were held between JXN Water, Jacobs, and HDR. Meeting with MSDOH was held.</li> <li>▪ LSL Replacement Management Dashboard in Esri is being reconfigured so that all information related to replacements can be centralized here, which includes communications tracking, replacement planning, replacement data/results, and follow-up sampling planning and results.</li> <li>▪ Replacement of galvanized service lines at three Jackson Public Schools have been coordinated and planned with JPS. Follow up field investigation and internal building investigation has taken place.</li> <li>▪ Initial inventory setup. Multiple data sources were brought into the LSL Inventory Solution within Esri. Initial results delivered to BlueConduit for predictive model run.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Predictive modelling is taking longer than expected.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continued Lead Service Line Inventory Esri Solution updates periodically. Working with predictive modeling consultant BlueConduit to perform multiple model simulations.</li> <li>▪ Continued lead or galvanized service line replacements, if encountered.</li> <li>▪ Finalize inventory by the end of quarter for final reviews, prior to October 16, 2024, EPA deadline.</li> <li>▪ Strategize and begin implementing process to host public-facing lead service line map on JXN Water website.</li> </ul>



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5aviii.1	Ongoing Construction Owners Representative	Consultant progressing work	<ul style="list-style-type: none"> <li>▪ The work to complete the final system tie-ins for the 48" water line project is ongoing. The tie-in and Rankin St. Is complete. The tie-ins at Jefferson and Pearl are complete. There is one location remaining at River Park Dr.</li> <li>▪ The project associated with the new 36-in water line on Riverside is complete.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Unforeseen issues regarding unknown water line cross connections on the 24" water line to be abandoned once the new 48" waterline is in service.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Riverside project is complete.</li> <li>▪ For the 48" Water Line project there is one location remaining to complete the final tie-ins for the project. Commissioning of the completed portions of the 48-in transmission main expected Q4 2024.</li> <li>▪ Design changes to the original 48" water line route are being considered by the design team.</li> </ul>
5aviii.2	Rate Modeling Support	Consultant progressing work.	<ul style="list-style-type: none"> <li>▪ Participated in weekly check-in calls with the internal Stantec team and the billing data development team with Boss and Horne consultants. Coordinated data sharing, as appropriate, between billing data consultants and Stantec engineers for meter inventory and locations, non-revenue water modeling, etc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ Review of revenue collection data and perform revenue and expense calculations for JXN Water to support capital investment forecasts. Updates to billable revenue estimates, as requested, based on updated billing data and any modifications to rate structures.</li> </ul>
5aviii.3	Bid Standards and Pre-Qual Support	<ul style="list-style-type: none"> <li>▪ Consultant progressing work.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Coordinated with PlanetBids to determine if Section headers can be modified. Helped other consultant go through the first Planet Bids process.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue supporting JXN Water in implementing online bidding support service.</li> </ul>
5aviii.4	Water Meter Install Verification	<ul style="list-style-type: none"> <li>▪ Consultant progressing work.</li> <li>▪ Addendum 1 approved</li> <li>▪ Addendum 2 (field work) being prepared</li> </ul>	<ul style="list-style-type: none"> <li>▪ SOL completed the first pass of meter verifications. They successfully verified 54,836 verified meters.</li> <li>▪ Identified 8,163 potential inaccessible meters and began developing the process for Stantec to reconcile them.</li> <li>▪ Stantec's team of GIS specialists completed serial number quality review.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complete Serial Number QC process.</li> <li>▪ Stantec to begin reconciling inaccessible meters and begin field verification.</li> <li>▪ Complete commercial meter verification.</li> <li>▪ Substantially complete the Task Order</li> </ul>
5aviii.5	SRF and Facilities Plan Support	<ul style="list-style-type: none"> <li>▪ Draft Facility Plan approved with comments</li> </ul>	<ul style="list-style-type: none"> <li>▪ Draft 2024 Facilities Plan and cost estimates completed. A public meeting for comments was held September 25<sup>th</sup> with no attendees or comments received.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ Address comments from MSDOH Facilities Plan review and prepare final submittal for MSDOH approval and release of project funding.</li> </ul>
5.a.ix	Corrosion Control Renewal	<ul style="list-style-type: none"> <li>▪ Consultant progressing work.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Corrosion Control Desktop Study has been issued</li> </ul>	<ul style="list-style-type: none"> <li>▪ Desk-top study: No additional delays beyond those outlined</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to support efforts as needed.</li> </ul>

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			<ul style="list-style-type: none"> <li>▪</li> <li>▪</li> </ul>	<p>in prior quarterly report pertaining to lack of available historical data and required efforts for data collection and sampling delays due to security issues in the field.</p> <ul style="list-style-type: none"> <li>▪ Corrosion Control Treatment: Schedule for implementation of liquid lime and CO2 for OBC dependent on MSDH approval timeline to initiate equipment procurement.</li> </ul>	
5.a.ix 6	Corrosion Control Renewal  System Stabilization & Sustainability Plan – Water Treatment Plants, Wells, and Tanks Capital Improvement Plan	Initiated work. Issued task order to consultant  Consultant progressing work.	<ul style="list-style-type: none"> <li>▪ Completed a final review of Jacob’s corrosion control desktop assessment.</li> <li>▪ Attended a virtual meeting with Jacobs and JXN Water to review HDR comments.</li> <li>▪ JHF Conversion Project placed on hold to allow Stantec system modelling and results to inform path forward.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> <li>▪ None.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to support efforts as needed.</li> <li>▪ Restart and complete first phase of assessment for JHF conversion to Pump Station.</li> <li>▪</li> <li>▪ Finalize recommendations for potable well sites.</li> <li>▪</li> </ul>
7	SCADA Improvements	Consultant progressing work.	<ul style="list-style-type: none"> <li>▪ Completed 90% level design.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ None.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Finalize design.</li> <li>▪</li> <li>▪ Initiate CMAR bidding process.</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
8, 9	OBC and JHF Chemical Feed Improvements (including Chlorine System Replacement at OBC)	Consultant progressing work	<p>Assisted Jacobs, JXN Water, and CMAR during bid phase.</p> <p>Prepared and issued one addendum.</p> <p>Reviewed 2<sup>nd</sup> round of De Nora shop drawings and final De Nora shop drawings.</p> <p>Reviewed CMAR's GMP and transmitted a letter of recommendation on approving GMP to JXN Water.</p> <p>Developed a scope and fee for construction administration services.</p> <p>Begun construction administration services. Started setting up project folders and planning of resources for when construction starts.</p> <ul style="list-style-type: none"> <li>▪</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ There were a few miscellaneous items added between 90% - 100% design. These additional items impacted the project deliverable by one week and impacted the project budget.</li> <li>▪ These additional scope items are: <ol style="list-style-type: none"> <li>1. Replacement of the Raw Water Pump Station (RWPS) local control panels.</li> <li>2. Routing fluoride piping over Clearwell Nos. 1 and 2.</li> <li>3. Spare motors added to critical ventilation fans in the Chemical Building.</li> <li>4. Revise electrical duct bank routing to avoid future lime facility conflicts.</li> <li>5. Requested coordination meetings by Jacobs to accommodate future lime piping. HDR is currently revising trench layout and design to</li> </ol> </li> </ul>	<p>Begin construction administration services (review shop drawings, field orders, requests for information, etc.)</p> <p>Assign the De Nora contract to the CMAR.</p> <ul style="list-style-type: none"> <li>▪</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
				accommodate future piping. <ul style="list-style-type: none"> <li>▪</li> </ul>	
11	Performance Evaluation and Redundancy Plant Treatment Processes Restoration	Subject work completed.	<ul style="list-style-type: none"> <li>▪ Phase1 complete in Q1 2023.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Phase1 complete in Q1 2023.</li> </ul>
11 11	Performance Evaluation and Redundancy Plant Treatment Processes Restoration Source Water Quality/Treat ability Characterization Study (OBC and Barnett Reservoir)	Subject work completed. Consultant progressing work.	<ul style="list-style-type: none"> <li>▪ Phase1 complete in Q1 2023.</li> <li>▪ None. Completed.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ None.</li> <li>▪ None.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Phase1 complete in Q1 2023.</li> <li>▪ None. Completed.</li> <li>▪</li> </ul>
11.a, g	OBC Filter Conventional and Membrane	Contractor progressing work.	<ul style="list-style-type: none"> <li>▪ Completed all 36" influent and backwash, 10" filter to waste, 24" manual and actuated effluent valves and systems.</li> <li>▪</li> <li>▪ Initiated underdrain, valve, and filter media replacement of remaining filters.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Awaiting material delivery to complete filter 5.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Complete underdrain, valve, and filter media replacement of filter 5.</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
11.g	JHF Filters	<ul style="list-style-type: none"> <li>▪ Project construction is completed.</li> </ul>	Project construction is complete. Administrative closeout.	<ul style="list-style-type: none"> <li>▪ Change Order 01 and 02 added 89 days to the contract.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project construction is complete. Administrative closeout.</li> </ul>
11.j	OBC High Service Pump VFD	Consultant progressing work.	<ul style="list-style-type: none"> <li>▪ Project suspended.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project suspended.</li> </ul>
12	Sludge Assessment at Finished Water Storage Facilities	Consultant progressing work.	<ul style="list-style-type: none"> <li>▪ Started to implement results and recommendations from American Tank report.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Delays encountered prior to June 2024 due to operational reliability and resiliency to allow for inspection.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Implement all remaining recommendations and coordinate activities with upcoming construction projects.</li> <li>▪</li> </ul>
13	OBC Electrical Resiliency and Reliability Evaluation	Initiated work. Issued task order to consultant	<p>General project management.</p> <p>Addressed additional comments on final technical memorandum and resubmitted technical memorandum.</p> <p>Prepared for and conducted virtual presentation to discuss findings of technical memorandum.</p> <p>Researched standby generators and provided information to Jacobs and JXN Water.</p> <p>Followed up with utility company to obtain additional information on secondary feeder.</p> <p>Obtained failure data on primary and secondary feeder from utility company to understand reliability of backup power at the plant.</p> <ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project will be slightly under budget.</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Obtain additional information from utility company on primary and secondary feeder failures. Submit information to Jacobs and JXN Water.</li> <li>▪ Closeout project.</li> <li>▪</li> </ul>
Other	Plant Operations Program Management	Consultant progressing work.	<ul style="list-style-type: none"> <li>▪ Implemented construction phase tools and processes.</li> <li>▪ Continued managing delivery of services according to established processes and tools.</li> <li>▪ Continued to improve processes and tools as needed to increase delivery efficiency.</li> <li>▪ Managed and administered construction phase services.</li> <li>▪ Continued updates of schedules, progress reports and dashboard.</li> <li>▪ Continued communications support and coordination with JXN Water.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Task Order 2 completed.</li> <li>▪ Future Program Management Services to be executed under the Phase III contract.</li> <li>▪</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
Other	Forrest Hill Surface to Well Conversion	Subject work completed.	<ul style="list-style-type: none"> <li>▪ Completed report.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None.</li> </ul>
Other	Strategic Communicati ons Implementati on and Creative Support	Consultant progressing work	<ul style="list-style-type: none"> <li>▪ Coordination with Jacobs on LCRR program management</li> <li>▪ Created customer assistance fundraising materials and managed the visual strategy for customer assistance materials.</li> <li>▪ Created expanded weekly digest reports for comments and media mentions.</li> <li>▪ Created videos for Leak Education, Payment Arrangements, Water Academy Promo, Create Your Own Account.</li> <li>▪ Formatting and design of the Q1 2024 Quarterly Report.</li> <li>▪ Implementation of the communication strategy.</li> <li>▪ Managed all media relations, social media support for construction/emergency posts, boil water notices and lifts, and account administration, and JXNWater.com content updates (Doing Business with Jackson, lifts, and notices).</li> <li>▪ Managed communication, strategy, messaging, talking points and public education/engagement.</li> <li>▪ Managed Quarterly Public Meeting support (May).</li> <li>▪ Performed management of the JXN Water YouTube page.</li> </ul> <p>Provided as-needed communications and graphic design support.</p> <ul style="list-style-type: none"> <li>▪ Provided guidance for an ongoing paid media campaign.</li> <li>▪ Redesigned Consumer Confidence Report.</li> <li>▪ Supported as-needed direct mail, public notice mailings and ITPM appearances.</li> <li>▪ Supported integration of public scorecard into JXNwater.com and development of priority projects dashboard.</li> <li>▪ Supported Social Impact Strategist implementation of JXN Water Academy launch.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue supporting Water Academy cohorts.</li> <li>▪ Complete LCRR program management outreach templates</li> <li>▪ Manage quarterly direct mail newsletters for customer updates.</li> <li>▪ Support earned, owned, shared, and paid media campaigns.</li> <li>▪ Support paid media campaign for Spanish-speaking households (TV, radio, in-person).</li> <li>▪ Provide creative support for quarterly public meeting (August).</li> <li>▪ Continue development of priority project dashboard.</li> <li>▪ Produce and submit community updates and educational videos.</li> <li>▪ Continue YouTube platform management.</li> <li>▪ Provide as-needed creative material support.</li> </ul>
Other	Construction Management Services for OBC and JHF	Consultant progressing work.	<ul style="list-style-type: none"> <li>▪ Provided ongoing construction management services throughout the quarter for the OBC Filter Rehabilitation project and initiated construction efforts related to major projects - OBC Liquid Lime, OBC Chemical Feed Repair, and OBC Sedimentation/Flocculation Improvement Projects.</li> </ul>	<ul style="list-style-type: none"> <li>▪ None.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to support startup of major construction projects - OBC Liquid Lime, OBC Chemical Feed Repair, and OBC</li> </ul>

PPL	Description	Status Change Quarter Ending September 30, 2024	Summary of Work Quarter Ending September 30, 2024	Summary of Delays Encountered	Projection of Work Quarter Ending December 31, 2024
					Sedimentation/Flocculation Improvement Projects. <ul style="list-style-type: none"> <li>▪</li> <li>▪ Support the coordination and sequencing of these projects with OBC WTP ongoing operations.</li> <li>▪</li> <li>▪ Initiate GMP for SCADA System Improvements Project.</li> </ul>

SCADA = supervisory control and data acquisition

SOP = standard operating procedure

SRF = State Revolving Fund

TM = technical memorandum(s)

VFD = Variable Frequency Drive

WCD – Work Change Directive

WTP = Water Treatment Plant

**JXN Water, Inc.**  
Jackson, Mississippi

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**Report on Audit of Financial Statements**

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For the Year Ended December 31, 2023



**JXN Water, Inc.**  
Jackson, Mississippi

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## INDEPENDENT AUDITORS' REPORT

Board of Directors and Shareholders  
JXN Water, Inc.  
Jackson, Mississippi

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of JXN Water, Inc., which comprise the balance sheet as of December 31, 2023, and the related statements of income, changes in members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of JXN Water, Inc. as of December 31, 2023, the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of JXN Water, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.





In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about JXN Water, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of JXN Water, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about JXN Water, Inc.'s ability to continue as a going concern for a reasonable period of time.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2024 on our consideration of JXN Water, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of JXN Water, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JXN Water, Inc.'s internal control over financial reporting and compliance.

Memphis, Tennessee  
September 30, 2024

**JXN Water, Inc.**  
Balance Sheet

**ASSETS**

	December 31,
	2023
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 1,516,409
Restricted cash	5,317,737
Accounts receivable water/waste water <i>(net)</i>	5,748,653
Accounts receivable other <i>(net)</i>	887,748
Total Current Assets	13,470,547
<b>NON-CURRENT ASSETS:</b>	
Water deposits receivable	5,549,011
Sanitation receivable	4,475,474
Fixed Assets <i>(net of accumulated depreciation of \$23,689)</i>	1,558,354
Total Non-Current Assets	11,582,839
<b>TOTAL ASSETS</b>	<b>\$ 25,053,386</b>

**LIABILITIES AND MEMBERS' EQUITY**

<b>CURRENT LIABILITIES:</b>	
Accounts payable	\$ 11,982,450
Accrued payroll liabilities	312,057
Bonds payable-current portion	-
Accrued interest expense	-
Total Current Liabilities	12,294,507
<b>NON-CURRENT LIABILITIES:</b>	
Bonds payable	160,562,191
ARPA (loan payable)	15,149,500
Sanitation payable	4,475,474
Water deposits	5,607,258
Other long-term liabilities	200,470
Total Non-Current Liabilities	185,994,893
Total Liabilities	198,289,400
<b>MEMBERS' EQUITY</b>	<b>(173,236,014)</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 25,053,386</b>

*See accompanying notes to the financial statements*

**JXN Water, Inc.**  
Statement of Income  
For the Year Ended December 31, 2023

	<u>2023</u>
<b>REVENUE:</b>	
Water	\$ 19,551,122
Grants	75,507,265
Sewer	37,132,900
Other income	6,952,038
Interest	<u>478,840</u>
Total Revenue	<u>139,622,165</u>
<b>EXPENSES:</b>	
Sales, general & administrative (ITPM)	4,280,105
Operations and maintenance	54,050,907
1442 B Projects	32,556,104
Other grant funded projects	3,918,620
Sanitation/Waste water	37,378,466
Interest expense	<u>4,130,420</u>
Total Expenses	<u>136,314,622</u>
<b>NET INCOME</b>	<u>\$ 3,307,543</u>

*See accompanying notes to the financial statements*

**JXN Water, Inc.**  
Statement of Changes in Members' Equity  
For the Year Ended December 31, 2023

	Member Equity	Total Equity
<b>BALANCES AT DECEMBER 31, 2022</b>	\$ (176,543,557)	\$ (176,543,557)
Net income	3,307,543	3,307,543
Distributions	-	-
<b>BALANCES AT DECEMBER 31, 2023</b>	\$ (173,236,014)	\$ (173,236,014)

*See accompanying notes to the financial statements*



**JXN Water, Inc.**  
**Statement of Cash Flows**  
**December 31, 2023**

	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net income	\$ 3,307,543
Adjustment to reconcile net income to net cash provided by (used in) operating activities:	
Depreciation and amortization	23,689
Loss on disposal of equipment	-
Changes in operating assets and liabilities:	
Customer fees receivable	(5,748,653)
Accrued receivable other	(887,748)
Right-of-use asset	-
Accounts payable	11,982,450
Accrued expenses and other current liabilities	312,057
Notes payable	-
Deferred revenue	-
Net Cash Provided By/(Used In) Operating Activities	8,989,338
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchases of property and equipment	(1,582,044)
Net Cash Provided By/(Used In) Investing Activities	(1,582,044)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Opening equity entry	4,071,852
Repayment of borrowings	(4,645,000)
Net Cash Provided By/(Used In) Financing Activities	(573,148)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	8,416,190
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	-
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 6,834,146
	<i>Restricted</i> \$ 5,317,737 <i>Unrestricted</i> <i>Restricted</i> <u>1,516,409</u> <b>Total</b> \$ <u>6,834,146</u>
<b>INTEREST PAID</b>	\$ 2,514,729

*See accompanying notes to the financial statements*

**JXN Water, Inc.**  
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**JXN Water, Inc.**  
Notes to the Financial Statements  
For the Years Ended December 31, 2023

**NOTE 1 - ORGANIZATION:**

JXN Water, Inc. (JXN Water) is a Mississippi water utility company run by interim third-party manager, Ted Henifin who was authorized by a federal court order on November 29, 2022 by United States District Judge Henry Wingate to reestablish water infrastructure, operations and put the JXN Water system on a sustainable path forward. As a result, JXN Water was created to accomplish the goals of the stipulated orders.

Since February 2023, JXN Water has repaired nearly 2,000 leaks and opened 3,300 closed valves. JXN Water aims to provide safe and reliable water and sewer services to all Jackson residents.

JXN Water, Inc. was organized as an S Corporation under the laws of the State of Mississippi, on September 30, 2024.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of Presentation**

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Presentation of Financial Statements Topic ASC 205-10 of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. The Topic establishes standards for external financial reporting for business entities.

***Cash and Cash Equivalents***

JXN Water considers cash on hand, in checking, savings, certificates of deposits, and other similar accounts to be cash. All highly liquid debt instruments with a maturity of three months or less when purchased are considered to be cash equivalents. Cash accounts are maintained at a large financial institution and, at times, may exceed federally insured limits.

***Accounts Receivables Water/Waste Water***

Accounts receivables represent amounts billed for water/waste water services provided that have not yet been collected. Receivables are considered past due 20 days after the invoice due date. JXN Water began managing the water/waster operations of the City of Jackson, Mississippi on

October 1, 2023. Due to inaccurate billings from the meter system in the previous years, JXN Water made the decision to remove all customer debt incurred prior to 12/1/2022 from customers bills and placed these amounts into a suspense account, upon placing these balances into a suspense account, JXN Water then placed a full valuation allowance on this amount.

For the year ended December 31, 2023, JXN Water had accounts receivable related to water/waste water of \$135,635,902 with a related allowance for doubtful accounts of \$(129,887,249).

#### ***Accounts Receivables-Miscellaneous***

Accounts receivables-miscellaneous represents amounts billed to the City of Jackson for services other than the management of the water/waste system. For the year ended December 31, 2023, JXN Water had a balance of \$8,923,786 in miscellaneous accounts receivable with a related allowance for doubtful accounts of \$(8,036,037).

#### ***Sanitation Receivable/Payable***

The citizens of Jackson, Mississippi are charged for sanitation services monthly on their water bills. JXN Water records amounts related to sanitation on the customers bills in a separate receivable account with an offsetting entry to a payable account since these amounts will be remitted to the City of Jackson, Mississippi. For the year ended December 31, 2023, JXN Water had a balance of \$29,343,522 in accounts receivable sanitation with a corresponding liability in the sanitation payable account of \$(4,475,474).

#### ***Accounts Receivable/Payable Water Deposits***

Accounts receivable water deposits related to customer deposits that were remitted to the City of Jackson, Mississippi, before JXN Water, October 1, 2023, but not yet remitted to JXN Water as of December 31, 2023. JXN Water also has a corresponding liability in the same amount since these funds would be given back to customers upon the termination of service.

#### ***Compensated Absences***

JXN Water has not made an accrual for compensated absences because the amount cannot be reasonably estimated.

#### ***Property and Equipment***

Property and equipment purchased with a cost in excess of \$5,000 are capitalized and reported at cost at date of acquisition less accumulated depreciation.

Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis, ranging from 3 to 10 years for equipment and 10 to 50 years for buildings and land improvements.

### ***Revenue Recognition***

JXN Water's major sources of revenue include service fees and fees billed to customers for water and sewer services. JXN Water records revenue billed to its customers after the meters are read each month. In addition, revenues also include excise taxes and public utility taxes which are remitted to state and local taxing authorities.

For non-water revenue, revenue is recognized at a single point in time when ownership, risk and rewards transfer. Any revenue recognized over time, such as service income, consists of performance obligations that are typically one year or less. There are no shipping and handling fees charged to customers incurred by JXN Water. The majority of JXN Water's contracts do not contain variable consideration and contract modifications are typically minimal. Incidental items that are immaterial in the context of the contract are recognized as expense.

JXN Water also receives a significant amount of federal grant funds related to specific capital projects. These grants are reimbursable grants, meaning that JXN Water must first incur the expenditure then submit a reimbursement request to the granting agency. Revenue related to these grants are recognized at the time the reimbursement request is made to the grantor.

Economic conditions such as unemployment, poverty, and other personal issues can effect the customers ability to pay for their water services, which in turn cause uncertainties about the revenue and cash flow of JXN Water.

### ***Income Taxes***

Under U.S. federal income tax law, JXN Water is a pass-through entity for federal income tax purposes. Therefore, no provision has been made in the accompanying financial statements for income taxes due by the Company. Each member is individually responsible for reporting its share of JXN Water's income or loss.

Subchapter S corporations that conduct business in the State of Mississippi are generally subject to Mississippi franchise and excise taxes. Certain taxable income or loss of the Company is considered self-employment income for state income tax purposes and accordingly is included in the respective state income tax returns of the members. As a result, there was no provision for Mississippi state income taxes in 2023.

ASC 740, *Income Taxes*, requires management to determine whether a tax position is more likely that not to be sustained upon examination by the applicable tax authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Once it

is determined that a position meets this recognition threshold, the position is measured to the amount of tax benefit or expense to be recognized. The Company does not have any uncertain tax positions that would require accrual under ASC 740. No interest or penalty related to uncertain taxes has been recognized in the accompanying statements of income. The Company does not expect a significant change in uncertain tax positions during the twelve months subsequent to December 31, 2023.

In the normal course of business, the Company may be audited by any of the taxing authorities with which it files a tax return. As of December 31, 2023, the Company is not currently undergoing any tax examinations nor has it agreed to extend the statute of limitation beyond the prescribed expiration date. With few exception, the Company is no longer subject to examinations by U.S. federal, state, and local income tax authorities for years before 2018.

JXN Water exists separately from and is not a part of the City of Jackson. Income received by JXN Water from its operation of the public drinking water system, the sewer system, and the WSBA is used entirely to operate and maintain the systems, and therefore no private interest can, has, or will receive distributions from JXN Water's revenue, now or upon JXN Water's dissolution. All income received by JXN Water, now and forever, accrues solely to the benefit of the City of Jackson as a result of functions performed by JXN Water that otherwise would be performed by the City of Jackson.

IRC § 115 states that gross income does not include income derived from any public utility or the exercise of any essential governmental function and accruing to a State or any political subdivision. Based on this, JXN Water does not consider income derived from the operation of the City of Jackson's water and sewer operations to be taxable for the purpose of federal and state income taxes.

### ***Selling, General and Administrative***

Selling, general and administrative expenses include selling and marketing expenses not directly related to mutual funds, and include costs such as facilities, insurance, legal and accounting fees, travel and entertainment, depreciation and amortization, and other administrative costs.

### ***Use of Estimates***

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts included in the financial statements and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

### ***Subsequent Events***

Management has evaluated events and transactions that have occurred between December 31, 2023 and September 30, 2024, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

### **NOTE 3 - BONDS PAYABLE:**

Per the Stipulated Order, JXN Water assumed responsibility for all existing debt related to the sewer and water systems as of the date of the order. As of December 31, 2023, JXN Water had the following outstanding bonds.

#### **Terms and Principal Balances**

Description	Original Principal	Origination Date	Maturity Date	Interest Rate
Series 2011A	\$ 46,720,000	08/10/2011	09/01/2034	5.00%
Series 2011 B Taxable	\$ 2,565,000	08/10/2011	09/01/2034	5.00%
Series 2012A	\$ 36,280,000	09/01/2012	09/01/2034	5.00%
Series 2012A	\$ 26,765,000	09/01/2012	09/01/2034	5.00%
Series 2013	\$ 89,990,000	12/01/2013	12/01/2040	5.00%
Series 2016	\$ 17,135,000	08/24/2016	09/01/2024	5.00%

Future minimum payments on bonds payable consist of:

		Principal	Interest
1	12/31/2024	\$ 10,440,000	\$ 8,860,833
2	12/31/2025	\$ 8,725,000	\$ 8,338,693
3	12/31/2026	\$ 9,210,000	\$ 10,563,133
4	12/31/2027	\$ 9,730,000	\$ 7,353,745
5	12/31/2028	\$ 7,435,000	\$ 6,814,925
	Thereafter	\$ 113,410,000	\$ 40,582,619

### **NOTE 4 - FIXED ASSETS:**

As of December 31, 2023, fixed assets consist of:

	Beginning Balance	Additions	Disposals	Ending Balance
Construction in progress	\$ 0	\$ 275,000	\$ 0	\$ 275,000
Total Non-depreciable	0	275,000	0	275,000
Building	0	1,307,043	0	1,307,043
Accumulated depreciation	0	(23,689)	0	(23,689)
Net Depreciable Fixed Assets	0	1,283,354	0	1,283,354
Total Fixed Assets	\$ 0	\$ 1,558,354	\$ 0	\$ 1,558,354

Depreciation expense for the year ended December 31, 2023 was \$23,689.

**NOTE 5 - MEMBERS' EQUITY:**

JXN Water is organized as an subchapter S Corporation under the laws of the State of Mississippi. The organization has one class of stock and all issued and outstanding stock is owned by its sole member. Per the Interim Stipulated Order, JXN Water exists solely for the operation and maintenance of the City of Jackson, Mississippi public drinking water and sewer system. All income derived by JXN Water from its operation of the public drinking water system and the WSBA is used entirely to operate and maintain the systems. Therefore, no distributions can be made from equity to its shareholder and must accrue for the continued operations of the City of Jackson, Mississippi water and sewer system.

**NOTE 6 - COMMITMENTS AND CONTINGENCIES:**

JXN Water receives a significant amount of grants from the federal government for specific projects. The grant funds are subject to review and/or audit by the Environmental Protection Agency (EPA). If during the course of an audit by the EPA, amounts are found to be unallowable expense, JXN Water would be liable for the repayment of these funds.

**NOTE 7 - SUPPLEMENTAL CASH FLOW INFORMATION:**

For the year ended December 31, 2023, JXN Water paid cash for interest expense related to bonds in the amount of \$2,514,729 and accrued interest of \$1,615,691.



**SUPPLEMENTAL INFORMATION**

**JXN Water, Inc.**

Schedule of Expenditures of Federal Awards and State Financial Assistance  
For the Year Ended December 31, 2023

Federal Grantor/ Pass-through Grantor/ <u>Federal Awards</u>	Program/Cluster Name	ALN Number	Contract Number	Expenditures
Response to Emergency Situations Affecting Public Water Systems (SDWA 1442b-84054501)	Response to Emergency Situations Affecting Public Water Systems (SDWA 1442b)	66.489	SDWA 1442b-84054501	\$ 2,170,000
Response to Emergency Situations Affecting Public Water Systems (SDWA 1442b-084060101)	Response to Emergency Situations Affecting Public Water Systems (SDWA 1442b)	66.489	SDWA 1442b-084060101	<u>57,957,733</u>
<b>Total Response to Emergency Situations Affecting Public Water Systems (SDWA 1442b)</b>				<u>60,127,733</u>
TOTAL FEDERAL AWARDS				<u>\$ 60,127,733</u>

**JXN Water, Inc.**

Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance  
December 31, 2023

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles and Audit Requirements for Federal Awards*. (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of JXN Water, it is not intended to and does not present the financial position, changes in net assets, or cash flows of JXN Water.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C - INDIRECT COST RATE**

The Organization has not elected to use the 10% de minimis indirect cost rate.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
JXN Water, Inc.  
Jackson, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of JXN Water, Inc., which comprise the balance sheet as of December 31, 2023, and the related statements of income, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered JXN Water, Inc.’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JXN Water, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of JXN Water, Inc.’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material





weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items that we consider to be significant deficiencies which are described in the accompanying schedule of findings and questioned cost as item 2023-001 Managements Responsibility for Internal Control.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether JXN Water, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2023-001 Management's Responsibility for Internal Control.

### **JXN Water, Inc.'s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on JXN Water, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. JXN Water, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Memphis, Tennessee  
September 30, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
JXN Water, Inc.  
Jackson, Mississippi

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited JXN Water, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of JXN Water, Inc.'s major federal programs for the year ended December 31, 2023. JXN Water, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, JXN Water, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of JXN Water, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of JXN Water, Inc.'s compliance with the compliance requirements referred to above.





### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to JXN Water, Inc.'s federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on JXN Water, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about JXN Water, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding JXN Water, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of JXN Water, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of JXN Water, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.



We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2023-001 Management's Responsibility for Internal Control. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on JXN Water, Inc.'s response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. JXN Water, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### ***Report on Internal Control over Compliance***

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 Management's Responsibility for Internal Control, to be significant deficiencies.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on JXN Water, Inc.'s response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. JXN Water, Inc.'s response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Memphis, Tennessee  
September 30, 2024



**JXN Water, Inc.**  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2023

**I. SUMMARY OF AUDITOR'S RESULTS**

Financial Statements:

- |                                                                                           |            |
|-------------------------------------------------------------------------------------------|------------|
| 1. Type of auditor's report issued on the financial statements.                           | Unmodified |
| 2. Material noncompliance relating to the financial statements.                           | No         |
| 3. Internal control over financial reporting:                                             |            |
| a. Material weaknesses identified?                                                        | No         |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | Yes        |

Federal Awards:

- |                                                                                           |            |
|-------------------------------------------------------------------------------------------|------------|
| 4. Type of auditor's report issued on compliance for major federal programs.              | Unmodified |
| 5. Internal control over major programs:                                                  |            |
| a. Material weaknesses identified?                                                        | No         |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | Yes        |
| 6. Any audit findings reported as required by Section __.510(a) of the Uniform Guidance?  | Yes        |
| 7. Federal programs identified as major programs:                                         |            |
| a. Response to Emergency Situations Affecting Public Water Systems (SDWA 1442b-84054501). |            |
| 8. The dollar threshold used to distinguish between type A and type B programs:           | \$750,000  |
| 9. Auditee qualified as a low-risk auditee?                                               | No         |

## **II. FINDINGS - FINANCIAL STATEMENT AUDIT**

**NONE**

## **III. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS**

ALN 66.489 Response to Emergency Situations Affecting Public Water Systems (SDWA 1442b)

### **FINDING #2023-001 MANAGEMENT'S RESPONSIBILITY FOR INTERNAL CONTROL**

#### **CRITERIA:**

OMB Circular A-123 Management's Responsibility for Internal Control - Management is responsible for developing and maintaining effective internal controls.

#### **CAUSE OF CONDITION:**

While performing our test of expenditures, we noted multiple invoices that did not have the proper approval.

JXN Water, Inc. has a limited number of administrative staff, therefore this does not allow the organization to have the proper segregation of duties.

#### **EFFECT OR POSSIBLE EFFECT OF THE CONDITION:**

Improper or unauthorized expenditures.

We identified all material accounts, once the material accounts were identified, we selected all material transactions from each account based on transaction materiality. We requested supporting documentation for each of our selections. While reviewing the supporting documentation, we noted there was no approver sign off. We also reviewed the audit trail in the Bill.com software and we noted many invoices that were paid that did not have an approver.

#### **RECOMMENDATION:**

Management should work to create a system of internal controls as required by OMB Circular A-123.

**CLIENT RESPONSE:**

JXN Water, Inc. hired Horne LLP to assist with grant management in May 2024. Additionally, EPA instituted new procedures in March 2024, requiring all grant funded invoices be submitted and approved by EPA prior to releasing funds from the two grants.

Going forward JXN Water, Inc. is looking to hire a construction contract manager to review and approve all construction related invoices prior to payment. Non construction invoices will be approved by the JXN Water, Inc. Administrative Manager prior to payment in BILL.COM.

These changes should be in place by December 31, 2024.

**JXN Water, Inc.**  
Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2023

**NONE**