



REGION 4

ATLANTA, GA 30303

ELECTRONIC MAIL

CONFIRMATION OF EMAIL RECEIPT REQUESTED

Edward "Ted" Henifin
Interim Third-Party Manager
JXN Water, LLC

Re: United States v. City of Jackson, Case No. 3:22-cv-00686 – HTW-LGI, (S.D. Miss.), Safe Drinking Water Act Case, Comments on Consolidated Report of Activities for the Quarter Ended March 31, 2024

Dear Mr. Henifin:

The U.S. Environmental Protection Agency has reviewed the JXN Water, LLC's (JXN Water) Consolidated Report of Activities for the Quarter ending on March 31, 2024 (hereinafter, "Q1'2024 Status Report"), prepared in accordance with the Interim Stipulated Order (ISO) for the above-referenced matter. Based on its review of the Q1'2024 Status Report, the EPA makes the following comments and/or requests clarification on the items contained in the Q1'2024 Status Report.

The EPA also notes that the comments and concerns outlined herein do not include any comments that the Agency may have regarding quarterly reporting for Safe Drinking Water Act Section 1442(b) Grant Nos. 84054501-0 and 84060101-0. The Agency reserves its right to provide such comments in separate correspondence.

- 1. Page 3, PPL 10, Intake Structure Repair.** The Q1'2024 Status Report indicates that assessment and design of this project will start in early 2024. Please identify when this work commenced, and if it has not started, please identify when it will begin.
- 2. Page 3, PPL 11, Plant Treatment Processes.** The Q1'2024 Status Report States "work accomplished throughout 2023." Please clarify if work is continuing on this project this year.
- 3. Page 3, PPL 13, Resilient Power Plan.** The EPA understands that the System recently had a power outage due to a storm event, with limited or insufficient backup power. The EPA further understands that the ITPM is working on a Technical Memorandum regarding the Resilient Power Plan. The EPA suggests that the ITPM consider reprioritizing the Plan to be completed sooner, especially given it is "slightly behind schedule," according to the Q1'2024 Status Report.

4. **Page 5.** Under Paragraph 16(a)(vi) of the ISO, an audited financial statement was due with the Q1'2024 Status Report. The EPA notes that this item is now past due. Please indicate when the ITPM intends to submit the audited statement.

5. **Page 6 – Precautionary Boil Water Notices.** For BWNs greater than ten days, please identify whether the impacted residents offered alternative water or options other than boiling.

6. **Page 68 – Section J: Spending Plan.** The text indicates the table is an excerpt from the January 2024 Financial Management Plan. However, the numbers in the table are different than what is presented in Appendix B of the Financial Management Plan, which refers to the table as an “Investment Plan.” Please explain the difference between the tables in the Spending Plan and Appendix B of the Financial Management Plan.

7. **Pages 70 and 83, Priority Project Schedule Modifications for O.B. Curtis Water Treatment Plant Optimal Corrosion Control Treatment Implementation.** The Q1'2024 Status Report indicates on page 70 that full implementation for this project has shifted from June 2024 to December 2024. EPA understands that JXN Water is working directly with Mississippi Department of Health (MSDH) on this project, but Paragraph 18.a. of the ISO requires the ITPM to submit to the EPA, as well, written justification, prior to making any changes to the Implementation Schedule, that would reprioritize, modify, or update a Project, or any changes that would impact the approved timetable for completion of any Priority Project by more than 60 Days. Proposed schedule modifications need to be submitted to the EPA and MSDH in advance of the modification taking effect.

8. **Page 72, O.B. Curtis and J.H. Fewell Chemical Feed Improvement Project.** To date, this work has been funded using SDWA Section 1442(b), which is the only funding source that can support operation and maintenance (O&M) costs. Given the ITPM's expressed concerns about cash flow for O&M costs, the EPA continues to encourage the use of SRF for non-O&M allowable expenses.

The EPA is available to meet with JXN Water to discuss these comments if desired. Please contact me at (404) 562-9701 or via email at Armor.Suzanne@epa.gov to schedule a meeting. Thank you for your attention to this matter.

Sincerely,

Suzanne K. Armor
Attorney-Advisor

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