



## 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 December 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 December 31, 2024 (hereinafter, "Q4'2024 Status Report"), prepared in accordance with the Interim Stipulated Order (ISO) for the above-referenced matter. Based on its review of the Q4'2024 Status Report, the EPA makes the following comments and/or requests clarification on the items contained in the Q4'2024 Status Report.

The EPA 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.

- **Page 6, Financial Challenges.** This section of the report addresses the use of DWSRF resources to meet JXN Water's cashflow challenges. In this section, JXN Water refers to the establishment of "an operations and maintenance reserve fund" with reimbursements received during the reporting period. EPA Region 4 encourages the ITPM to coordinate with MSDH to ensure the intended uses are being met for the purchase of a portion of the City of Jackson's Obligation Bond (S2013) Debt for drinking water infrastructure materials related to the City of Jackson's Siemens Meter Project, as outlined in Amendment III to MSDH's Disaster Relief Supplemental Appropriation Intended Use Plan (Sept. 20, 2024), available at [https://msdh.ms.gov/msdhsite/\\_static/resources/20370.pdf](https://msdh.ms.gov/msdhsite/_static/resources/20370.pdf).
- **Page 10, Obtaining Funding.** JXN Water reports that the remaining approximately \$15.28 million of Grant 84060101 will be used to pay the operation and maintenance contract through March 2025. The EPA acknowledges that water revenue collections are increasing, but do not fully cover the cost of operation and maintenance for the drinking water system. Please explain what steps JXN Water has taken or plans to take to address/mitigate this potential financial shortfall both in the near

term and the longer term. The EPA believes that the continuing operation and maintenance of the treatment plants is critical to the provision of drinking water to the citizens of Jackson.

- **Deliverables.** As previously requested in the EPA's November 19, 2024 comments on the Q3'2024 Status Report, please provide copies of any technical memoranda, scopes of work, plans, or any other deliverables that directly impact the priority projects to the EPA at the same time that Quarterly Reports are submitted. Such documents can be included in the Quarterly Report or as an addendum to the Quarterly Report to protect sensitive information. If providing the documents is too cumbersome, please provide a more detailed summary of the documents in future Quarterly Reports.

Specifically, from the Q4'2024 Status Report, please provide; (1) the tank survey technical memorandum; and (2) hydraulic transient analysis technical memorandum.

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](mailto:Armor.Suzanne@epa.gov), or Michele Wetherington, Attorney-Advisor, at (404) 562-9613 or via email at [Wetherington.Michele@epa.gov](mailto:Wetherington.Michele@epa.gov) to schedule a meeting. Thank you for your attention to this matter.

Sincerely,

Suzanne K. Armor  
Attorney-Advisor

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