STATE OF MISSISSIPPI
LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS IMPROVEMENTS BOARD
Title 33: Public Health - Local Governments & Rural Water Systems Improvements Board
Part 16: Drinking Water Systems Improvements Revolving Loan Fund Program Regulations

STATE OF MISSISSIPPI
DRINKING WATER SYSTEMS IMPROVEMENTS
REVOLVING LOAN FUND PROGRAM

DISASTER RELIEF SUPPLEMENTAL APPROPRIATION
INTENDED USE PLAN - AMENDMENT

Approved by the Board
5/29/2026

MISSISSIPPI STATE DEPARTMENT OF HEALTH

LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS

IMPROVEMENTS BOARD

P. O. BOX 1700 SUITE U-232

JACKSON, MISSISSIPPI 39215-1700

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DRINKING WATER SYSTEMS IMPROVEMENTS REVOLVING LOAN FUND

DISASTER RELIEF SUPPLEMENTAL APPROPRIATION
INTENDED USE PLAN

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I. INTRODUCTION

A. State of Mississippi's Drinking Water State Revolving Loan Fund

The Safe Drinking Water Act Amendments of 1996 (SDWA) established the national Drinking Water State Revolving Fund (DWSRF) Program. That program allows the Environmental Protection Agency (EPA) to make capitalization (Cap) grants to states to, in turn, provide low-cost loans to public water systems to help achieve or maintain compliance with SDWA requirements. Accordingly, the State Legislature (through Section 41-3-16, MS Code of 1972 Annotated) created what is now called the Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Program, to receive the federal DWSRF capitalization grants from EPA, and to provide low-cost loans to the state's public water systems to finance needed infrastructure improvements. This legislation also allows the DWSIRLF, subject to the authority of State Law, to make loans that may utilize additional subsidization beyond standard DWSIRLF loans as well as setting appropriate criteria to determine eligible recipients.

That same legislation created the "Local Governments and Rural Water Systems Improvements Board" (Board), to oversee the administration of the DWSIRLF Program. The Mississippi State Department of Health (Department), as the state's drinking water primacy agency, supplies the staff and facilities necessary to administer the program. The Board is composed of the following nine (9) members: the State Health Officer, who shall serve as chairman of the Board; the Executive Director of the Mississippi Development Authority; the Executive Director of the Department of Environmental Quality; the Executive Director of the Department of Finance and Administration; the Executive Director of the Mississippi Association of Supervisors; the Executive Director of the Mississippi Municipal League; the Executive Director of the American Council of Engineering Companies; the State Director of the United States Department of Agriculture, Rural Development; and a manager of a rural water system. Each agency director may appoint a designee to serve in his or her place on the Board. The Governor appoints the rural water system manager. In the creation of the Program, it was the intent of the Legislature that the Board endeavor to ensure that the costs of administering the DWSIRLF Program (Program) are as low as possible in order to provide the water consumers of Mississippi with safe drinking water at affordable prices.

As a condition of receiving the DWSRF Cap grants, the SDWA requires that each state annually prepare an Intended Use Plan (IUP) designed to outline how a state will utilize DWSRF funds to assist in protecting public health. The DWSIRLF Fund consists of both state and federal funds. Federal funds are provided to the states in the form of awarded Cap grants. Each state's allotment of those grants is based on EPA's Needs Survey that is performed every four years. State matching funds totaling 20% of the federal grant amount to that state are required to be deposited into the Fund and have historically been provided through the issuance of bonds; however, the State legislature has provided the required State match funds as a direct agency appropriation. The purpose of this IUP is to convey

the State of Mississippi's (State) DWSRF plan for Federal Fiscal Year (FFY) 2023 to EPA, other state agencies, the State's public water supplies, and the public.

B. Program Overview

The basic framework under which the DWSIRLF Program operates is established by two documents. The first document is the Drinking Water State Revolving Fund Loan Program Operating Agreement (Operating Agreement) between the Mississippi State Department of Health and the Environmental Protection Agency, Region IV. The current Operating Agreement was agreed to by both parties and approved on March 21, 2022. The Operating Agreement establishes the basic framework of the DWSIRLF that is not expected to change from year-to-year. The second document is the IUP which describes how the State of Mississippi will use the funding received from the EPA Cap grant which is received each year.

C. Disaster Relief Supplemental Appropriation – City of Jackson

The Consolidated Appropriations Act, 2023, (H.R. 2617 p.759), provided additional funding for the Clean Water and Drinking Water State Revolving Funds (SRFs) and the U.S. Environmental Protection Agency (EPA) to address national disasters and emergencies. Congress provided $450 million in Drinking Water SRF to States or Territories in EPA Region 4 in amounts determined by the Administrator in areas where there the President declared an emergency in August of fiscal year 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). Other than the City of Jackson's public drinking water systems (i.e., PWS ID MS0250008 a surface water system and PWS ID MS0250012 a groundwater system, and appurtenant treatment, storage, and distribution facilities'), the program knows of no other recipient eligible to receive funding related to this appropriation. **The law waives match requirements and requires 100% of funding to be used as additional subsidy in the form of principal forgiveness, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or restructuring debt or any combination.** The Act also authorizes the EPA to retain up to $1 million of the appropriation for administrative management and oversight. For ease of reference, the State of Mississippi and EPA will refer to this appropriation as the City of Jackson – Supplemental Appropriation.

Pre Public Law 119-37, Section 154, Of the amounts made available in the third paragraph under the heading ''Environmental Protection Agency—State and Tribal Assistance Grants'' in the Disaster Relief Supplemental Appropriations Act, 2023 (division N of Public Law 117–328), up to $54,000,000 shall be available for technical assistance and grants under section 1442(b) of the Safe Drinking Water Act (42 U.S.C. 300j–1(b)) in areas where the President declared an emergency in August of fiscal year 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): Provided, That amounts repurposed pursuant to this section that were previously designated by the Congress as being for an emergency requirement pursuant to section

4001(a)(1) of S. Con. Res. 14 (117th Congress), the concurrent resolution on the budget for fiscal year 2022, and section 1(e) of H. Res. 1151 (117th Con gress), as engrossed in the House of Representatives on June 8, 2022, are designated as being for an emergency requirement pursu ant to section 4001(a)(1) of S. Con. Res 14 (117th Congress), the concurrent resolution on the budget for fiscal year 2022, and to legislation establishing fiscal year 2026 budget enforcement in the House of Representatives.

D. Public Input, Review, and Comment Procedures

To ensure that the public has an ample opportunity to review and comment upon the IUP, the Department and the Board follows the requirements of the "Mississippi Administrative Procedures Law" prior to final submission of the IUP to EPA. A public notice period of at least twenty-five (25) days allows for review and comment before an oral proceeding. After adoption by the Board, a second filing with the Secretary of State's Office occurs; if no additional comments are received the IUP becomes law 30 days after the second filing.

By means of a memorandum, the Board and the Program will notify interested parties through a mass email and post on DFA's Public Meeting Notices site (MISSISSIPPI PUBLIC MEETING NOTICES (ms.gov)) when the public comment period has been established. Written comments on this document must be received at the address shown below or SRF.drinkingwater@msdh.ms.gov. Please include an email contact in any written communication. The Program will use it to provide confirmation of receipt and feedback as necessary.

Local Governments and Rural Water Systems Improvements Board
Attn: Lee Alford, Director, DWSRLF Program
Mississippi State Department of Health (MSDH)
570 East Woodrow Wilson Avenue, Suite U-222 (Underwood Building)
Post Office Box 1700
Jackson, Mississippi 39215-1700

Additionally public notice will be given in *The Clarion Ledger*, a newspaper of statewide circulation, for written and oral comments on this IUP. ***An oral proceeding will be held at 9:00 a.m. on June 25, 2026.*** A transcript of the oral proceeding, recording any comments and recommended solutions, will be submitted to the EPA along with the Final IUP. Those desiring to receive a copy of the oral proceeding transcript should contact Jonathan Diaz, Administrative Coordinator, at (601) 576-843. A copy of the "Mississippi Administrative Procedures Law" may be obtained from the Mississippi Secretary of State's Office and can also be found on the Mississippi State Department of Health's website at www.healthyms.com/dwsrf.

II. GOALS

The Board has established short-term and long-term goals for the City of Jackson – Supplemental Appropriation. These goals will support EPA's Objective 5.1 "Ensure Safe

Drinking Water and Reliable Water Infrastructure" in the EPA Strategic Plan (FY 2022-2026).

A. Short-Term Goals

1. Assure that these funds are used effectively for drinking water infrastructure projects intended to resolve high priority public health concerns and/or reliability of service concerns as well as other regulatory agency concerns.

2. Assure that all funds are expended in an expeditious and timely manner to projects that will provide the most benefit or will increase the resiliency of the area.

3. Assure the fiscal, technical, and managerial integrity of the program by preventing waste, fraud, and abuse. Projects will be inspected as necessary to make certain projects are constructed correctly and efficiently.

B. Long-Term Goals

1. To finance projects that will contribute to an improved drinking water distribution system and treatment facilities in the areas where the President declared an emergency in August of fiscal year 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121et seq.)

2. To maximize the effectiveness of these funds in providing more resilient systems preparing them for future natural disasters while minimizing the impact of such events.

3. To allow eligible debt relief to improve the affected areas' financial capacity to build a sustainable and equitable water financing solution.

III. STRUCTURE OF THE MISSISSIPPI DWSIRLF

The Mississippi DWSIRLF is structured to help it achieve the short-term and long-term goals of the specific program's outcome as outlined by its IUP. Funds are broken down into designated accounts, each having a specific function.

A. SRF Awards

Monies in the awards include program administration, set-aside operations, and most importantly provide disbursements to public water systems for eligible projects. The DWSIRLF is a reimbursement program, meaning that after the award, eligible costs incurred are reimbursed to the recipient.

1. Types of Eligible Projects:

Many types of projects are eligible for funding by the Program. For a more detailed explanation of eligible costs for projects, please reference the EPA DWSRF Eligibility Handbook.

2. Set-aside Accounts:

The set-aside accounts reside under the umbrella of the Fund and are distinctly designated by reporting categories. The set-asides available through a DW SRF capitalization grant are as follows:

a. Administrative Set-aside: Provides financial support to administer the loan Program and other non-project-related activities.
b. Small System Technical Assistance Set-aside: Provides technical assistance to small water systems.
c. State Program Management Set-aside
d. Local Assistance and Other State Programs

B. DWSIRLF State Match Funds

No match is required for this appropriation.

IV. FINANCIAL STATUS

This section outlines all sources of funding available from the City of Jackson – Supplemental Appropriation and indicates intended uses.

A. Source and Use of Funds

The Consolidated Appropriations Act, 2023, (H.R. 2617 p.759), provided additional funding for the Clean Water and Drinking Water State Revolving Funds (SRFs) and the U.S. Environmental Protection Agency (EPA) to address national disasters and emergencies. Congress provided $450 million in Drinking Water SRF to States or Territories in EPA Region 4 in amounts determined by the Administrator in areas where there the President declared an emergency in August of fiscal year 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). The law waives match requirements and requires 100% of funding to be used as additional subsidy in the form of principal forgiveness, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or restructuring debt or any combination. Per the terms of the Consolidated Appropriations Act, 2023, EPA will retain up to $1 million of the City of Jackson – Supplemental Appropriation for administrative management and oversight.

B. Financial Terms of Loans

The Consolidated Appropriations Act, 2023, (H.R. 2617 p.759), provided additional funding for the Clean Water and Drinking Water State Revolving Funds (SRFs) and the U.S. Environmental Protection Agency (EPA) to address national disasters and emergencies. Congress provided $450 million in Drinking Water SRF to States or Territories in EPA Region 4 in amounts determined by the Administrator in areas where there the President declared an emergency in August of fiscal year 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). **The law waives match requirements and requires 100% of funding to be used as additional subsidy in the form of principal forgiveness, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or restructuring debt or any combination.**

V. Set-Aside Activities

The SDWA allows each state to set-aside up to 31 percent of its federal Cap grant to support non-project-related drinking water programs which includes administration of the loan program, technical assistance to public water systems, state program management, and other special activities.

A. Administration

The SDWA-DWSRF amendments in the 2017 Water Infrastructure Improvements for the Nation Act (Pub. L. 114-332) (2017 WIIN Act – EPA memorandum dated June 6, 2017) states that the Administrative Set-Asides that can be taken (the greatest of: $400,000, 1/5 percent of the current valuation of the fund, or an amount equal to 4 percent of all grant awards to the fund for the fiscal year). The State plans to use a portion of the allowable "Administrative" set-aside from the Appropriation. Preliminarily, the State would like to staff an administrative coordinator and a project manager to help facilitate this funding at an estimated cost of $750,000 over 6 years.

B. Small System Technical Assistance

The state is not authorized to take this set-aside since the City of Jackson does not meet the small system criteria.

C. State Program Management

The state does not intend to use this set-aside. Further coordination with recipient may determine the necessity of this funding at a later date.

D. Local Assistance and Other State Programs

The state does not intend to use this set-aside. Further coordination with recipient may determine the necessity of this funding at a later date.

VI. PRIORITY SYSTEM

The SDWA provides the state with the flexibility to determine how to best utilize the Cap grant. To meet the particular and unique issues facing the public water systems in Mississippi, SDWA requirements allow states to give priority to those projects which:

1. address the most serious risk to human health.
2. ensure compliance with the SDWA requirements.
3. assist areas most in need, on a per household basis.

A. Priority Ranking Categories

Emergency Projects

The Project Priority List may be amended during the year for declarations of emergencies designated by the Governor (pursuant to §33-15-11(b)(17)) or the State Health Officer (pursuant to §41-26-1 et sec.). The emergency project must meet all eligibility and loan requirements, but the additional public review and comment requirement may be waived. Once an emergency has been declared and the project is determined eligible, Emergency projects will take priority over all other project categories. Any emergency project must be documented in the DWSRF Annual Report and is subject to EPA oversight review.

Standard DWSRF Projects

Projects in Category I are funded each year to the extent funds are available. Projects in Categories II through XI are ranked in priority order; that is, all Category II projects are ranked higher than Category III projects, etc. Ranking is established in like manner through all remaining categories. Adjustments are made as necessary to comply with small community set-aside provisions of the Federal SDWA and as established by the Board [Section 1542(a) (2) of SDWA]. As stated previously, the order of Categories II - XI is intended to give highest priority to those projects that address the most serious risks to human health. Projects within each category will be ranked as described in Section B. **Due to the nature of the special appropriation Category I & Category II are not applicable.**

Category III - Primary Drinking Water Standards
This category includes projects to facilitate compliance with Primary Drinking Water Standards. To qualify for this category, projects must correct deficiencies resulting in non-compliance with the primary drinking water standards. Depending on the nature of the project, additional treatment requirements may be necessary as part of the proposed project.

Category IV - One Well
This category includes projects to provide additional water supply to systems that have neither a backup well nor an MSDH-approved emergency tie-in to another system to ensure safe drinking water; thereby protecting the health of the existing population. Depending on the nature of the project, additional treatment requirements may be necessary as part of the proposed project.

Category V – Pressure Deficiencies
This category includes projects to correct documented deficiencies that result in existing systems routinely failing to maintain minimum acceptable dynamic pressure. Experience has shown that failure of water systems to maintain minimum acceptable dynamic pressure is the major cause of system contamination in Mississippi. System contamination that results from inadequate water system pressure is considered by the MSDH to be one of the most serious drinking water-related threats to public health in Mississippi.

Category VI - Source Water Protection Projects
This category includes projects to manage potential sources of contaminants/pollutants and/or prevent contaminants/pollutants from reaching sources of drinking water. To be eligible for loan participation, potential contaminants/pollutants and source water protection areas must have been identified in the public water systems source water assessment plan report (swapr) prepared by the Mississippi department of environmental quality's groundwater planning branch (deq-gpb). If the public water system has not received its swapr from the deq-gpb yet, or has documentation that may change its swap, it shall provide in the facilities plan suitable documentation of potential sources of contaminants/pollutants that is acceptable to the deq-gpb before the project will be deemed eligible.

The projects will be ranked: first in order of the highest source water classification that would be negatively impacted by source water contaminants; secondly, within each classification in order of the public water systems susceptibility assessment ranking as determined by the deq-gpb; and thirdly, within each susceptibility assessment ranking in order of the highest number of connections served by the public water system. Source water classifications will be ranked in the following order: surface water sources; shallow (generally ≤ 300'

in depth) unconfined water wells; shallow (generally ≤ 300' in depth) confined water wells; and deep confined water wells.

Category VII - System Capacity Expansion to Serve Existing Unserved Residences/Businesses
This category includes projects to either expand existing system capacity or construct a new drinking water system to ensure safe drinking water (source, treatment and/or distribution) to serve existing residences/businesses in currently unserved areas.

Category VIII - Back-up Water Supply Sources Projects
This category includes projects to provide additional supply to systems with insufficient back-up water supply sources to ensure safe drinking water, and thereby protect the health of the existing population. As a minimum, a system using ground water should be able to lose any one of the wells supplying the system and still maintain minimum acceptable dynamic pressure throughout the entire system.

Category IX – Existing Facilities Upgrades (Meeting Primary Standards)
This category includes projects to rehabilitate, replace, protect or upgrade deteriorated, worn, aged or obsolete equipment, facilities, etc., to assure continued, dependable operation of water systems where such systems are already meeting Primary Drinking Water Standards. Depending on the nature of the project, additional treatment requirements may be necessary as part of the proposed project.

Category X - Fluoride Addition
This category is for projects that either rehabilitate existing fluoride treatment facilities at well or treatment plant sites or add new facilities to existing well or treatment plants.

Category XI - Secondary Drinking Water Standards Projects
This category includes projects to provide treatment that brings systems into compliance with Secondary Drinking Water Regulations. Depending on the nature of the project, additional treatment requirements may be necessary as part of the proposed project.

Category XII – Consolidation Projects
This category includes projects to consolidate separate systems into a single system for purposes other than those related to Categories II through IX. Consolidation will also be considered in establishing priority ranking within all categories, as described in the Priority Ranking Criteria in Section C.

Category XIII – Other
This category includes projects that do not meet the criteria of any other listed category and have been determined loan eligible in accordance with the DWSIRLF loan program regulations.

B. Priority Ranking Criteria

The criteria for ranking Standard DWSRF projects within each category is intended to give priority to projects that: (1) benefit the most people per dollar expended; (2) assist systems most in need on a per household affordability basis as required by the SDWA (3) use consolidation with other systems to correct existing deficiencies and improve management; (4) take into consideration the system's current capacity; (5) encourage participation in short-term and long-term technical assistance programs; and (6) encourage an Asset Management Plan participation in the Drinking Water Needs Survey. These considerations are addressed by the Priority Ranking Criteria in the following manner:

1. *Benefit/Cost*
   Benefit/Cost points assigned to each project will be determined using the following formula:

   $$\textit{Benefit/Cost Points} = \frac{\textit{Number of benefiting connections}}{\textit{Total eligible cost of improvements (in \$1.0 millions)}}$$

   The number of benefiting connections must be included in the facilities plan submitted by the applicant; be defined as the sum of individual connections **currently experiencing deficiencies that will be corrected by the improvement;** and include only existing residences, businesses, and public buildings. Applicants must furnish information (including hydraulic analysis, if necessary) to support their estimate of the number of benefiting connections. The total eligible cost is in millions of dollars (i.e., $800,000 = $0.8 M).

2. *Affordability Factor*
   An affordability factor will be assigned to each project to reflect the relative needs of applicants on a per household basis. The Benefit/Cost points calculated in Section C.1. will be adjusted using the affordability factor in the following formula:

   Adjusted Benefit/Cost Points = (Affordability Factor) x (Benefit/Cost Points)

   The affordability factor used in the calculation is defined as the ratio of the "Median Household Income" (MHI) for the State of Mississippi ($49,111) to the MHI for the affected community. The affordability factor used in the calculation will be no less than 1.0 and no greater than 1.5.

3. *Consolidation*
   Any project that includes consolidation (ownership and management) of separate existing systems into a single system will receive consolidation points equal to 0.5 times the Adjusted Benefit/Cost points assigned to the project. The purpose of assigning consolidation points is to promote reliability, efficiency and economy of scale that can be achieved with larger water systems while discouraging the proliferation of numerous separate small systems with their inherent inefficiencies

and limitations. Projects, in any priority category, that do not include consolidation will receive zero consolidation points in the final calculation of total priority points.

Consolidation Points = 0.5 x (Adjusted Benefit/Cost Points)

4. *System Capacity*
   Any project that includes scope of work to address critical design capacity issues (systems that are currently overloaded or within two (2) years of reaching their current design capacity, as determined by MSDH) will receive additional priority points equal to 25% of the Adjusted Benefit/Cost points assigned to the project. Documentation of the system capacity analysis and recommendations to address the design capacity issues must be addressed in the facilities plan to be eligible for these additional priority points.

   System Capacity Points = 0.25 x (Adjusted Benefit/Cost Points)

5. *Participation in Short-Term & Long-Term Assistance Programs*
   The MSDH, with the Board's approval, has contracted with Mississippi State University Extension Service to provide both short-term and long-term assistance to designated water systems in the state based on their scores on the latest Capacity Assessment Form (CAF). This assistance is provided at no cost to the water systems.

   Participation by the water systems in these assistance programs is voluntary; however, any water system that has participated in either of these assistance programs within the past two years will be eligible to receive additional priority points equal to 5% of their Adjusted Benefit/Cost Points. Water systems that have implemented all the recommendations made by Mississippi State University Extension Service will receive additional priority points equal to 5% of their Adjusted Benefit/Cost Points for a total of 10%. Documentation of participation in either of these assistance programs and implementation of the recommendations made by Mississippi State University Extension Service must be included in the facilities plan before additional priority points will be granted.

   *Assistance Points = __**__ x (Adjusted Benefit/Cost Points)*

   ** *5% if the water system participates in the assistance, or 10% if the water system participates in the assistance and implements all recommendations*

6. *Asset Management Plan*

   Any water system certifying and providing support of their Asset Management Plan's implementation or maintenance to MSDH will be eligible to receive additional priority points equal to 10% of their Adjusted Benefit/Cost Points.

Asset Management Plan = 0.10 x (Adjusted Benefit/Cost Points)

7. *Ranking Within Each Category*
   Within each category, projects will be ranked in order based on the total points assigned the project using the following formula:

   Total Priority Points = Adjusted Benefit/Cost Points + Consolidation Points + System Capacity Points + Assistance Program Points + Needs Survey Points

   Projects receiving the most priority points will be given the highest ranking on the Priority List. In case of a tie in the number of priority points, projects with the lowest median household income will receive the highest ranking.

Small Community

Following completion of the ranking process, the Priority List will be reviewed to determine if at least 15% of available funding for projects above the funding line is for public water systems which regularly serve fewer than 5,000 people, which the Board has defined as a small community. If this is not the case, the Priority List will be adjusted by exchanging the lowest ranking projects above the funding line that serve 5,000 or more with the highest-ranking projects below the funding line that serve fewer than 5,000, until the 15% requirement is satisfied.

VII. EQUIVALENCY REQUIREMENTS

All City of Jackson – Supplemental Appropriation funds are federal funds and therefore all equivalency requirements apply to projects they are used to finance. One exception to this rule is the Build America, Buy America (BABA) Act. EPA has determined that the requirements of the BABA Act do not apply to the City of Jackson – Supplemental Appropriation and the projects on this IUP.

VIII. PRIORITY LIST

Supplemental Appropriation
Priority List

Project	Project Description	Priority Points	Service Area Population	Loan Amount Requested	Statewide Cum. $
Category III: Primary Drinking Water Standards Projects					
Jackson, City of	Intake Structure Repair	11099	155000	$5,500,000	$5,500,000
Category V: Pressure Deficiencies Projects					
Jackson, City of	Distribution System Upgrades and Replacements	1182	155000	$48,500,000	$54,000,000
Category IX: Existing Facilities Upgrade (Meeting Primary Standards)					
Jackson, City of	JHF WTP Conversion	13223	155000	$5,000,000	$59,000,000
Jackson, City of	Emergency Small Diameter Pipe Replacement	10708	155000	$5,182,149	$64,182,149
Jackson, City of	Emergency pipe/system replacements	8192	155000	$7,000,000	$71,182,149
Jackson, City of	Well System Rehabilitation	5749	155000	$11,500,000	$82,682,149
Jackson, City of	SCADA System	4934	155000	$13,400,000	$96,082,149
Jackson, City of	Raw Water Pump Rehabilitation- OB Curtis	4408	155000	$15,000,000	$111,082,149
Jackson, City of	Emergency Distribution System Optimization	2804	155000	$19,793,757	$130,875,906
Jackson, City of	Chemical Feed Repair	2755	155000	$24,000,000	$154,875,906
Jackson, City of	Residuals System Upgrade OB Curtis	2328	155000	$28,400,000	$183,275,906
Jackson, City of	Small Diameter Pipe Replacement	1749	155000	$20,000,000	$203,275,906
Jackson, City of	Water Meter Replacements and Condition	1643	155000	$34,900,000	$238,175,906
Jackson, City of	Treatment Process Renewals	735	155000	$53,424,000	$291,599,906
Jackson, City of	Distribution System Optimization	578	155000	$96,057,100	$387,657,006
Category XIII: Other					
Jackson, City of	Emergency Lead Service Line Inventory	18696	155000	$2,968,198	$390,625,204
Jackson, City of	Debt Retirement- SRF Loan 2	3811	155000	$14,562,349	$405,187,553
Jackson, City of	Debt Retirement Loan 3	3014	155000	$13,808,119	$418,995,672
Jackson, City of	Transfer to 1442b	1837	155000	$36,000,000	$454,995,672
Jackson, City of	Resilient Power Facilities - OB Curtis	1745	155000	$31,800,000	$486,795,672

Jackson, City of	COJ Special Obligation Bonds Series 2013	1588	155000	$34,940,271	$521,735,943

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.

VIIII. EXPECTED PUBLIC HEALTH OUTCOMES & PERFORMANCE MEASURES

The objective of this program is to disperse all available funds in a timely manner to achieve the public health protection benefits resulting from the projects identified in the Disaster Relief Supplemental Appropriation of 2023 IUP, and to ensure compliance with loan agreements, as required by state and federal laws and regulations.

By implementing the IUP and funding projects shown on the Priority List (Section VII), the Board will have the means to plan for and fund projects that will address the most serious public health risks facing the affected area. Funding of projects will be determined by the amount of funding awarded.

The success of the funding will be defined by the ability of the MSDH to successfully meet commitments in this DWSRF Work Plan.

Additionally, the projects should have minimal impact on the environment due to the nature of their design. Where necessary, appropriate environmental reviews will occur and proper permitting through the Mississippi Department of Environmental Quality will be required to ensure minimal impact on the environment.

APPENDICES

APPENDIX A: CITY OF JACKSON WORKPLAN FOR THE SUPPLEMENTAL APPROPRIATION

The information following this paragraph is the City of Jackson's proposed work plan developed by the court appointed Interim Third-Party Manager as submitted to the program. Elements of this work plan will be moved to the IUP's Priority List once the EPA and the State have determined that the project/activity is eligible for assistance through this appropriation/ DW SRF program.

Description	Loan Amount 2025 ($M)	Total Project Cost ($M)	Loan Status
Chemical Feed Repair OBC (Loan #1)	$67.6	$67.6	Approved
Emergency Distribution System Optimization (Loan #2)	$19.8	$19.8	Approved
Emergency Small Diameter Pipe Replacement (Loan #3)	$5.2	$5.2	Approved
Emergency Lead Service Line Inventory (Loan #4)	$3.0	$3.0	Approved
Emergency Reimb for Eligible Infrastr Materials (Loan #5)	$34.9	$34.9	Approved
Treatment Process Renewals (Loan #6)	$53.4	$53.4	Approved
SCADA System (Loan #7)	$25.2	$25.2	Approved
Choctaw Village 2310 (Loan #8)	$7.2	$7.2	Approved
Resilient Power Facilities for OBC (Loan #9)	$31.8	$31.8	Approved (to be Amended +)
OBC Raw Water Pump Replacement (Loan #10)	$15.0	$15.0	Approved (to be Amended -)
OBC Residuals System Upgrade (Loan #11)	$28.4	$5.5	Approved (to be Amended -)
Fortification St (Loan #12)	$16.7	$16.7	Approved (to be Amended +)
Broadmoor/Brown (Small Dia 2311 and 2312) (Loan #13)	$6.0	$6.0	Approved
Merit Health 2309 (Loan #14)	$0.0	$0.0	On Hold
Surface Restoration 2328 (Loan #15)	$6.8	$6.8	Submitted
MMC- 2401 (Loan #16)	$1.3	$1.3	Submitted
DWSRF Retirement (Loan #17)	$28.4	$28.4	Approved
Well System Rehabilitation (Loan #18)	$11.5	$11.5	Submitted
Reallocation from SRF to 1442(b)	$54.0	$54.0	Approved
Galatin 2308 (Loan #19)	$13.4	$13.4	Submitted
West/Rankin St 2324 (Loan #20)	$10.2	$10.2	Submitted
East Oak Forest (Small Dia) 2322	$8.9	$8.9	Current Estimate
Maddox/TV Road 2326	$10.3	$10.3	Current Estimate
Hydrants	$3.2	$3.2	Current Estimate
LCRI (Potholing Validation)	$1.0	$1.0	Current Estimate

Valves	$3.2	$3.2	Current Estimate
Oakdale Subdivision/Westside Park 2323/2327	$6.0	$6.0	Current Estimate
Briarwood/Canton Heights Rd/North Colony 2329/2330	$5.1	$5.1	Current Estimate
JHF Pump Station Conversion	$2.5	$2.5	Current Estimate
Unit Bid Projects	$0.0	$0.0	Removed
TOTAL	$480.0	$457.1	

Legend

Approved Loan/Agreement/Project Moving Forward

In Process Loan App Submitted - Currently under review Deferred Project Deferred Due to Budgetary Constraints Removed Project Removed. Alternative Funding Utilized Revised Revised/New Budgetary Numbers

New New Project Priority Added

* Loan Amendment Request Submitted or In Process

INTRODUCTION

The City of Jackson received a direct appropriation through the Consolidated Appropriations Act, 2023 to be administered under the Section 1452 of the Safe Drinking Water Act as follows:

For an additional amount for "State and Tribal Assistance Grants", $450,000,000, to remain available until expended, for capitalization grants under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12): Provided, That notwithstanding section 1452(a)(1)(D) of the Safe Drinking Water Act, funds appropriated under this paragraph in this Act shall be provided to States or Territories in EPA Region 4 in amounts determined by the Administrator in areas where there the President declared an emergency in August of fiscal year 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): Provided further, That notwithstanding the requirements of section 1452(d) of the Safe Drinking Water Act, for the funds appropriated under this paragraph in this Act, each State shall use 100 percent of the amount of its capitalization grants to provide additional subsidization to eligible recipients in the form of forgiveness of principal, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or restructuring debt or any combination thereof: Provided further, That the funds provided under this paragraph in this Act shall not be subject to the matching or cost share requirements of section 1452(e) of the Safe Drinking Water Act: Provided further, That the Administrator of the Environmental Protection Agency may retain up to $1,000,000 of the funds appropriated under this paragraph in this Act for management and oversight.

PROJECT SELECTION PROCESS

On November 29, 2022, Henry T. Wingate, United States Federal District Judge in the United States District Court for the Southern District of Mississippi (Northern Division) signed an Interim Stipulated Order in Case No. 3-22-cv-00686-HTW-LGI, the United States of America v the City of Jackson, Mississippi. This order appointed an Interim Third-Party Manager (ITPM) to control the drinking water system in Jackson, serving the residents of Jackson, the town of Byram, and a portion of Hinds County. The Order also included a list of priority projects that were to be completed by the ITPM as expeditiously as possible to ensure safe and reliable drinking water remains available to all customers, at all times. These projects have been programmed with other available funding in the Financial Management Plan developed by the ITPM in January 2023 as updated in April 2024, and those programmed for funding through the State Of Mississippi, Drinking Water Systems Improvements, Revolving Loan Fund Program (DWSRF) in 2024 are included in this appendix. These projects were developed based on knowledge JXN Water is gaining daily, a preliminary CIP developed by Jacobs, preliminary results from Stantec's analysis of the distribution system, and best engineering practices.

PROGRAM ACTIVITIES

Distribution System Optimization

Over the past year a GIS was completed which enabled completion of a hydraulic model. Additionally valve assessment work found and corrected positions of over 1,000 valves. This data formed the foundation for a complete assessment of the distribution system. Several deficiencies were identified with solutions varying from new pipe segments, increased diameter of existing pipes, pressure booster stations, etc. This project will design and construct these solutions.

Emergency Distribution System Optimization

This project is the first of several phases of the Distribution System Optimization project. This first phase began in February 2023, shortly after the Interim Third-Party Manager was appointed by the Interim Stipulated Order. Initial needs were identified as development of tools required to analyze and operate the system, including GIS, a hydraulic model, a work management system, asset management system, and related integrations. The other immediate need was a reduction in water loss, estimated at the time at over 35 MGD. An engineering firm, Stantec, was brought on board to perform the needed services and coordinate water loss reduction efforts to be accomplished by contractors working under this emergency authorization.

This first phase also includes three large pipe rehabilitation projects to reduce water loss as well as valve replacements to optimize system operations:

- Colonial Golf Course – This specific project was required to rehabilitate the 48-inch diameter transmission main, approximately one-half mile from the OB Curtis Water treatment plant. The project required a significant bypass to maintain service to the 155,000 users during the rehabilitation work. A section of the pipe had failed along the banks of Purple Creek, in the abandoned Colonial Golf Course. The estimated water loss from this location was 5 MGD and had been flowing for more than 5 years. The PCCP pipe was over 35 deep where it went under Purple Creek, making the rehabilitation very complex.

- Fortification and Prentiss – This specific project was required to rehabilitate a 20-inch diameter transmission main running along Fortification Street parallel to an active railway facility. Significant leaks along this pipe were threatening the stability of the railbed and need immediate attention. This work included a new railroad crossing and extended southward along Prentiss Avenue. A future phase will continue the rehabilitation along Prentiss Avenue.

- Northside Drive – This specific project was required to replace several critical valves on Northside Drive at I-55 that were non-functional and impacting the ability of the water system to operate as designed – creating pressure issue for customers throughout the system. Additionally, one valve had a significant on-going leak that was eroding the pavement at a high-volume interstate access point.

Small Diameter Pipe Replacement

A significant factor in the challenges to maintain pressure and water quality in the distribution system is the over 100 miles of piping in the Jackson Water System that is less than 6 inches in diameter, with a majority of that 2-inch diameter galvanized pipe. All small diameter piping needs to be replaced with a minimum of 8-inch diameter pipe. This will improve localized pressure issues, meet current fire protection standards, and will improve aesthetic qualities of the water (taste, odor, color) in homes and businesses served by these 2-inch pipes. This program will replace the 2-inch through 4-inch diameter mains as well as service lines back to the edge of the public rights-of-way. The work will be coordinated with funding for wastewater system improvements to allow replacement of sewer lines in the same streets at the same time – preventing streets from being opened twice.

Emergency Small Diameter Pipe Replacement

A significant factor in the challenges to maintain pressure and water quality in the distribution system is the over 100 miles of piping in the Jackson Water System that is less than 6 inches in diameter, with a majority of that 2-inch diameter galvanized pipe. All small diameter piping needs to be replaced with a minimum of 8-inch diameter pipe. This will improve localized pressure issues, meet current fire protection standards, and will improve aesthetic qualities of the water (taste, odor, color) in homes and businesses served by these 2-inch pipes. This program will replace the 2-inch through 4-inch diameter mains as well as service lines back to the edge of the public rights-of-way. The work will be coordinated with funding for wastewater system improvements to allow replacement of sewer lines in the same streets at the same time – preventing streets from being opened twice.

This project was initiated using limited competition under emergency procurement methods. Recognizing the significant threat to public health, getting work started on the first phase of small diameter pipe replacement to understand the challenges associated with creating significant disruption in neighborhoods. Getting started on this critical program fast was critical to regaining trust in the water system, so the ITPM declared an emergency in accordance with Mississippi Code §31-7-3. For that reason, the procurement documents do not meet all SRF requirements.

SCADA

This project will install a completely new SCADA system providing data to control and manage the entire water system (plants, wells, and distribution system). A fully functional SCADA is necessary for reliable operation of modern water systems. This project will provide that for JXN Water.

Chemical Feed Repair (OB Curtis)

The chemical feed and disinfection systems and supporting facilities at the O. B. Curtis WTP need to be replaced with safer and more reliable systems. The current systems do not support reliable operation of the WTP process for safe, reliable, and sustainable drinking water. Aluminum chloralhydrate (coagulant), sodium permanganate (oxidizer), coagulant aid polymer, and fluoride system will be replaced with similar processes. The disinfection systems will be transitioned from gas to liquid feeds. The existing chlorine gas system will be replaced with an on-site hypochlorite generation system to feed hypochlorite and the existing ammonia gas system will be replaced with a liquid ammonium sulfate system.

Treatment Process Renewals

As part of the third-party operation and maintenance of the water treatment plants, a comprehensive process review was conducted to ascertain process improvements required to maintain safety and reliability. This assessment identified various projects that need to be implemented to address condition, reliability, and capacity constraints. This project will address some of the highest priority items identified during the process review and CIP development including improvements to the flocculation and sedimentation basins, permanent liquid lime system, and residuals handling system.

DWSRF Retirement

To reduce debt service burden on the system, existing DWSRF debt will be retired with this project. Current payoff is approximately $13.9 million.

Emergency Reimbursement for Eligible Infrastructure Materials

This project will reimburse JXN Water for eligible infrastructure materials purchased under a contract with Siemens Industries, Inc, entered into on December 28, 2012. The contract was a performance contracting agreement procured in compliance with the State of Mississippi's performance contracting laws and procedures in effect at that time as evidenced by the approval letter issued by the Mississippi Development Authority on March 29, 2013.

This reimbursement request is limited to certain SRF eligible materials including water meters, water meter box lids, associated materials (washers, unions, valves, setters, offsets, etc.), billing system software, and billing system hardware.

Emergency Lead Service Line Inventory

This project will inventory the service lines in the City of Jackson's water system in accordance with the USEPA requirements included in the Lead and Copper Rule Revisions (LCRR).

This project is nearly complete with the inventory to be submitted by October 16, 2024. This project requests reimbursement for costs incurred for engineering and the potholing work required to expose and confirm service line materials.

Resilient Power Facilities for OB Curtis

This project will add alternative and emergency power facilities to OB Curtis to ensure critical treatment processes can be operated during prolonged failures or disruptions to the Entergy grids serving OBC.

Distribution System Upgrades and Replacements

This project will replace pipe segments identified as highly likely to fail, undersized, or sources of significant water loss as identified by JXN Water's ongoing condition assessment. The project will also replace failed valves, install new valves as necessary, new hydrants, and related water distribution infrastructure throughout the JXN Water system.

OBC Residuals System Upgrade

The residuals system at OBC has failed. Preliminary evaluation indicates it may have significant design issues as well. This project will conduct a complete evaluation of the residuals system and a cost benefit analysis to determine the best life-cycle cost solution for OBC. The solution will be designed and implemented with this project upon completion of the selection of the best cost alternative.

Well System Upgrade

This project will make needed improvements to the groundwater (well) system operated by JXN Water. This system serves nearly 15,000 connections and needs significant improvements to ensure safe and reliable service. An additional well will be installed, new piping, disinfection facilities, rehabilitation of storage facilities, site security and related improvements will be incorporated into this project.

Distribution Storage Upgrades

This project will make needed upgrades and rehabilitations to the storage tanks throughout the JXN Water system. Many of the tanks are in need of repair of structural elements, control valves, circulation and potentially disinfection, monitoring system, and related items to ensure water quality is maintained in the tanks and the system, avoiding DBP issues.

OB Curtis HSPS and Backwash Electrical

This project will include rehabilitation or replacement of critical electrical components for the backwash and the high-service pumping systems.

Intake Structure Repairs (OB Curtis)

The intake structure at the Ross Barnett Reservoir has fallen into a state of disrepair. The building that houses needed chemical feed equipment and water quality monitoring sensors needs replacement to protect those systems from the weather. Full water quality sensing at the intake allows operators to see changing raw water conditions to prepare treatment processes for changing water chemistry. Additionally, new flow-paced chemical feed equipment can be directly informed by the raw water data collected at the intake structure, ensuring reliable treatment, and minimizing chemical use. The chemical feed at the intake structure is not functional currently. Feeding chemical at the intake reduces build-up of marine growth in the intake pipes and reduces loading on the screens in the plant.

JH Fewell Pump Station Conversion

Sixty-three percent of the assets at J.H. Fewell Water Treatment Plant (WTP) are in poor or very poor condition, needing immediate rehabilitation or replacement. Because of the age and physical deterioration of J.H. Fewell WTP, it is recommended to decommission and convert J.H. Fewell WTP to a booster pump station for the distribution system. This project will include decommissioning and converting J.H. Fewell WTP to a booster pump station.

Replacement Membranes

The project includes the replacement of two of the size aged and damaged membrane cassettes at the O. B. Curtis WTP's membrane treatment train. The remaining four cassettes are being funded by the USACE.

SCHEDULE FOR COMPLETION

This program is scheduled to begin immediately and continue through 2029 with additional funding phases in future fiscal year programs. The 2024 plan presented here will obligate a maximum of $125.7M by September 30, 2024. The entire $450M appropriation will be obligated by 2029.

EVALUATION PROCESS

These investments will be evaluated through the reduction in the need to issue large precautionary boil water notices (more than 500 customers impacted) and system pressure increases as well as improved permit compliance at the water treatment facilities.

APPENDIX B - CERTIFICATIONS

In addition to the assurances included below, the state acknowledges that there are additional assurances that the state has agreed to in both the Operating Agreement between the State and EPA Region IV and the grants associated with the Disaster Relief Supplemental Appropriation of 2023. These two documents are hereby incorporated into this IUP by reference.

1. The state certifies that all drinking water facility projects in this IUP identified in Section VII as being subject to the federal cross-cutting requirements are or will comply with all such requirements prior to the state entering into an assistance agreement with the recipient.

2. The state certifies that it will make an annual report to the Regional Administrator on the actual uses of the funds and how the state has met the goals and objectives for the previous two fiscal years as identified in the IUPs; and to annually have conducted an independent audit of the funds to be conducted in accordance with generally accepted government accounting standards.

3. The state certifies that this IUP will be subjected to public review and comment prior to final submission to EPA. The state certifies that it will follow the "Mississippi Administrative Procedures Law" in seeking public review and comments on this IUP. A copy of the "Mississippi Administrative Procedures Law" can be obtained from the Mississippi Secretary of State's Office and can be found on the Mississippi State Department of Health's website at www.healthyms.com/dwsrf.

   Through this public review process, the State, Board, and Program hope to include a diverse set of potential interested parties, including community groups, neighborhood associations, environmental organizations, environmental justice organizations, and public health groups, that represent a broad spectrum of community interests.

   An oral proceeding will be held to receive written and oral comments on this IUP. A transcript of the public hearing recording the comments and recommended solutions will be submitted to EPA along with the Final IUP. Anyone desiring to receive a copy of the oral proceeding transcript should contact Brittney Carmichael, Program Support Specialist, at (601) 576-7649 to request copies.

4. The state certifies that all drinking water facility projects in this IUP are on the project Priority List developed pursuant to the requirements of Section 1452(b)(3)(B), SDWA.

5. The state certifies that it will enter into binding commitments for 100% of the amount of each payment (LOC) under the capitalization grant within one year after receipt of each payment (LOC).

6. The state certifies that it will commit and expend monies as efficiently as possible, and to disburse the funds in a timely and expeditious manner.

7. The state certifies that it will conduct environmental reviews on all DWSIRLF cross-cutter equivalency projects in accordance with the State Environmental Review Process (SERP).

8. The state certifies that prior to adding any new projects to this "Priority List" for the purpose of funding such a project by this appropriation that the state will follow the "Mississippi Administrative Procedures Law" in amending this IUP to allow for public review and comments.

9. The state certifies that it has developed and implemented a Capacity Development (CD) strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity as required in Section 1420(c) of the 1996 Amendments to the SDWA. EPA has approved the current CD program.

10. The state certifies the State's Operator Certification Program is currently approved by EPA.

11. The State is committed to and ensures that program's activities comply with Title VI of the Civil Rights Act of 1964

STATE OF MISSISSIPPI
LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS IMPROVEMENTS BOARD
Title 33: Public Health - Local Governments & Rural Water Systems Improvements Board
Part 16: Drinking Water Systems Improvements Revolving Loan Fund Program Regulations

STATE OF MISSISSIPPI
DRINKING WATER SYSTEMS IMPROVEMENTS
REVOLVING LOAN FUND PROGRAM

DISASTER RELIEF SUPPLEMENTAL APPROPRIATION
INTENDED USE PLAN - AMENDMENT

Approved by the Board
~~5/30/2025~~5/29/2026

MISSISSIPPI STATE DEPARTMENT OF HEALTH

LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS

IMPROVEMENTS BOARD

P. O. BOX 1700 SUITE U-232

JACKSON, MISSISSIPPI 39215-1700

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STATE OF MISSISSIPPI
LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS IMPROVEMENTS BOARD
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Part 16: Drinking Water Systems Improvements Revolving Loan Fund Program Regulations

DRINKING WATER SYSTEMS IMPROVEMENTS REVOLVING LOAN FUND

DISASTER RELIEF SUPPLEMENTAL APPROPRIATION
INTENDED USE PLAN

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CONTENTS

I. INTRODUCTION

E. State of Mississippi's Drinking Water State Revolving Loan Fund

The Safe Drinking Water Act Amendments of 1996 (SDWA) established the national Drinking Water State Revolving Fund (DWSRF) Program. That program allows the Environmental Protection Agency (EPA) to make capitalization (Cap) grants to states to, in turn, provide low-cost loans to public water systems to help achieve or maintain compliance with SDWA requirements. Accordingly, the State Legislature (through Section 41-3-16, MS Code of 1972 Annotated) created what is now called the Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Program, to receive the federal DWSRF capitalization grants from EPA, and to provide low-cost loans to the state's public water systems to finance needed infrastructure improvements. This legislation also allows the DWSIRLF, subject to the authority of State Law, to make loans that may utilize additional subsidization beyond standard DWSIRLF loans as well as setting appropriate criteria to determine eligible recipients.

That same legislation created the "Local Governments and Rural Water Systems Improvements Board" (Board), to oversee the administration of the DWSIRLF Program. The Mississippi State Department of Health (Department), as the state's drinking water primacy agency, supplies the staff and facilities necessary to administer the program. The Board is composed of the following nine (9) members: the State Health Officer, who shall serve as chairman of the Board; the Executive Director of the Mississippi Development Authority; the Executive Director of the Department of Environmental Quality; the Executive Director of the Department of Finance and Administration; the Executive Director of the Mississippi Association of Supervisors; the Executive Director of the Mississippi Municipal League; the Executive Director of the American Council of Engineering Companies; the State Director of the United States Department of Agriculture, Rural Development; and a manager of a rural water system. Each agency director may appoint a designee to serve in his or her place on the Board. The Governor appoints the rural water system manager. In the creation of the Program, it was the intent of the Legislature that the Board endeavor to ensure that the costs of administering the DWSIRLF Program (Program) are as low as possible in order to provide the water consumers of Mississippi with safe drinking water at affordable prices.

As a condition of receiving the DWSRF Cap grants, the SDWA requires that each state annually prepare an Intended Use Plan (IUP) designed to outline how a state will utilize DWSRF funds to assist in protecting public health. The DWSIRLF Fund consists of both state and federal funds. Federal funds are provided to the states in the form of awarded Cap grants. Each state's allotment of those grants is based on EPA's Needs Survey that is performed every four years. State matching funds totaling 20% of the federal grant amount to that state are required to be deposited into the Fund and have historically been provided through the issuance of bonds; however, the State legislature has provided the required State match funds as a direct agency appropriation. The purpose of this IUP is to convey

the State of Mississippi's (State) DWSRF plan for Federal Fiscal Year (FFY) 2023 to EPA, other state agencies, the State's public water supplies, and the public.

F. Program Overview

The basic framework under which the DWSIRLF Program operates is established by two documents. The first document is the Drinking Water State Revolving Fund Loan Program Operating Agreement (Operating Agreement) between the Mississippi State Department of Health and the Environmental Protection Agency, Region IV. The current Operating Agreement was agreed to by both parties and approved on March 21, 2022. The Operating Agreement establishes the basic framework of the DWSIRLF that is not expected to change from year-to-year. The second document is the IUP which describes how the State of Mississippi will use the funding received from the EPA Cap grant which is received each year.

G. Disaster Relief Supplemental Appropriation – City of Jackson

The Consolidated Appropriations Act, 2023, (H.R. 2617 p.759), provided additional funding for the Clean Water and Drinking Water State Revolving Funds (SRFs) and the U.S. Environmental Protection Agency (EPA) to address national disasters and emergencies. Congress provided $450 million in Drinking Water SRF to States or Territories in EPA Region 4 in amounts determined by the Administrator in areas where there the President declared an emergency in August of fiscal year 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). Other than the City of Jackson's public drinking water systems (i.e., PWS ID MS0250008 a surface water system and PWS ID MS0250012 a groundwater system, and appurtenant treatment, storage, and distribution facilities'), the program knows of no other recipient eligible to receive funding related to this appropriation. **The law waives match requirements and requires 100% of funding to be used as additional subsidy in the form of principal forgiveness, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or restructuring debt or any combination.** The Act also authorizes the EPA to retain up to $1 million of the appropriation for administrative management and oversight. For ease of reference, the State of Mississippi and EPA will refer to this appropriation as the City of Jackson – Supplemental Appropriation.

Pre Public Law 119-37, Section 154, Of the amounts made available in the third paragraph under the heading ''Environmental Protection Agency—State and Tribal Assistance Grants'' in the Disaster Relief Supplemental Appropriations Act, 2023 (division N of Public Law 117–328), up to $54,000,000 shall be available for technical assistance and grants under section 1442(b) of the Safe Drinking Water Act (42 U.S.C. 300j–1(b)) in areas where the President declared an emergency in August of fiscal year 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): Provided, That amounts repurposed pursuant to this section that were previously designated by the Congress as being for an emergency requirement pursuant to section

4001(a)(1) of S. Con. Res. 14 (117th Congress), the concurrent resolution on the budget for fiscal year 2022, and section 1(e) of H. Res. 1151 (117th Con gress), as engrossed in the House of Representatives on June 8, 2022, are designated as being for an emergency requirement pursu ant to section 4001(a)(1) of S. Con. Res 14 (117th Congress), the concurrent resolution on the budget for fiscal year 2022, and to legislation establishing fiscal year 2026 budget enforcement in the House of Representatives.

H. Public Input, Review, and Comment Procedures

To ensure that the public has an ample opportunity to review and comment upon the IUP, the Department and the Board follows the requirements of the "Mississippi Administrative Procedures Law" prior to final submission of the IUP to EPA. A public notice period of at least twenty-five (25) days allows for review and comment before an oral proceeding. After adoption by the Board, a second filing with the Secretary of State's Office occurs; if no additional comments are received the IUP becomes law 30 days after the second filing.

By means of a memorandum, the Board and the Program will notify interested parties through a mass email and post on DFA's Public Meeting Notices site (MISSISSIPPI PUBLIC MEETING NOTICES (ms.gov)) when the public comment period has been established. Written comments on this document must be received at the address shown below or SRF.drinkingwater@msdh.ms.gov. Please include an email contact in any written communication. The Program will use it to provide confirmation of receipt and feedback as necessary.

Local Governments and Rural Water Systems Improvements Board
Attn: Lee Alford, Director, DWSRLF Program
Mississippi State Department of Health (MSDH)
570 East Woodrow Wilson Avenue, Suite U-222 (Underwood Building)
Post Office Box 1700
Jackson, Mississippi 39215-1700

Additionally public notice will be given in *The Clarion Ledger*, a newspaper of statewide circulation, for written and oral comments on this IUP. ***An oral proceeding will be held at 9:00 a.m. on ~~May~~ June 2~~5~~9, 202~~5~~6.*** A transcript of the oral proceeding, recording any comments and recommended solutions, will be submitted to the EPA along with the Final IUP. Those desiring to receive a copy of the oral proceeding transcript should contact ~~Brittney Carmichael~~Jonathan Diaz, ~~Program Support Specialist~~Administrative Coordinator, at (601) 576-~~7649~~843. A copy of the "Mississippi Administrative Procedures Law" may be obtained from the Mississippi Secretary of State's Office and can also be found on the Mississippi State Department of Health's website at www.healthyms.com/dwsrf.

II. GOALS

The Board has established short-term and long-term goals for the City of Jackson – Supplemental Appropriation. These goals will support EPA's Objective 5.1 "Ensure Safe Drinking Water and Reliable Water Infrastructure" in the EPA Strategic Plan (FY 2022-2026).

C. Short-Term Goals

4. Assure that these funds are used effectively for drinking water infrastructure projects intended to resolve high priority public health concerns and/or reliability of service concerns as well as other regulatory agency concerns.

5. Assure that all funds are expended in an expeditious and timely manner to projects that will provide the most benefit or will increase the resiliency of the area.

6. Assure the fiscal, technical, and managerial integrity of the program by preventing waste, fraud, and abuse. Projects will be inspected as necessary to make certain projects are constructed correctly and efficiently.

D. Long-Term Goals

4. To finance projects that will contribute to an improved drinking water distribution system and treatment facilities in the areas where the President declared an emergency in August of fiscal year 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121et seq.)

5. To maximize the effectiveness of these funds in providing more resilient systems preparing them for future natural disasters while minimizing the impact of such events.

6. To allow eligible debt relief to improve the affected areas' financial capacity to build a sustainable and equitable water financing solution.

III. STRUCTURE OF THE MISSISSIPPI DWSIRLF

The Mississippi DWSIRLF is structured to help it achieve the short-term and long-term goals of the specific program's outcome as outlined by its IUP. Funds are broken down into designated accounts, each having a specific function.

A. SRF Awards

Monies in the awards include program administration, set-aside operations, and most importantly provide disbursements to public water systems for eligible projects. The

DWSIRLF is a reimbursement program, meaning that after the award, eligible costs incurred are reimbursed to the recipient.

3. Types of Eligible Projects:

Many types of projects are eligible for funding by the Program. For a more detailed explanation of eligible costs for projects, please reference the EPA DWSRF Eligibility Handbook.

4. Set-aside Accounts:

The set-aside accounts reside under the umbrella of the Fund and are distinctly designated by reporting categories. The set-asides available through a DW SRF capitalization grant are as follows:

a. Administrative Set-aside: Provides financial support to administer the loan Program and other non-project-related activities.
b. Small System Technical Assistance Set-aside: Provides technical assistance to small water systems.
c. State Program Management Set-aside
d. Local Assistance and Other State Programs

B. DWSIRLF State Match Funds

No match is required for this appropriation.

IV. FINANCIAL STATUS

This section outlines all sources of funding available from the City of Jackson – Supplemental Appropriation and indicates intended uses.

A. Source and Use of Funds

The Consolidated Appropriations Act, 2023, (H.R. 2617 p.759), provided additional funding for the Clean Water and Drinking Water State Revolving Funds (SRFs) and the U.S. Environmental Protection Agency (EPA) to address national disasters and emergencies. Congress provided $450 million in Drinking Water SRF to States or Territories in EPA Region 4 in amounts determined by the Administrator in areas where there the President declared an emergency in August of fiscal year 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). The law waives match requirements and requires 100% of funding to be used as additional subsidy in the form of principal forgiveness, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or

restructuring debt or any combination. Per the terms of the Consolidated Appropriations Act, 2023, EPA will retain up to $1 million of the City of Jackson – Supplemental Appropriation for administrative management and oversight.

B. Financial Terms of Loans

The Consolidated Appropriations Act, 2023, (H.R. 2617 p.759), provided additional funding for the Clean Water and Drinking Water State Revolving Funds (SRFs) and the U.S. Environmental Protection Agency (EPA) to address national disasters and emergencies. Congress provided $450 million in Drinking Water SRF to States or Territories in EPA Region 4 in amounts determined by the Administrator in areas where there the President declared an emergency in August of fiscal year 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.). **The law waives match requirements and requires 100% of funding to be used as additional subsidy in the form of principal forgiveness, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or restructuring debt or any combination.**

V. Set-Aside Activities

The SDWA allows each state to set-aside up to 31 percent of its federal Cap grant to support non-project-related drinking water programs which includes administration of the loan program, technical assistance to public water systems, state program management, and other special activities.

A. Administration

The SDWA-DWSRF amendments in the 2017 Water Infrastructure Improvements for the Nation Act (Pub. L. 114-332) (2017 WIIN Act – EPA memorandum dated June 6, 2017) states that the Administrative Set-Asides that can be taken (the greatest of: $400,000, 1/5 percent of the current valuation of the fund, or an amount equal to 4 percent of all grant awards to the fund for the fiscal year). The State plans to use a portion of the allowable "Administrative" set-aside from the Appropriation. Preliminarily, the State would like to staff an administrative coordinator and a project manager to help facilitate this funding at an estimated cost of $750,000 over 6 years.

B. Small System Technical Assistance

The state is not authorized to take this set-aside since the City of Jackson does not meet the small system criteria.

C. State Program Management

The state does not intend to use this set-aside. Further coordination with recipient may determine the necessity of this funding at a later date.

D. Local Assistance and Other State Programs

The state does not intend to use this set-aside. Further coordination with recipient may determine the necessity of this funding at a later date.

VI. PRIORITY SYSTEM

The SDWA provides the state with the flexibility to determine how to best utilize the Cap grant. To meet the particular and unique issues facing the public water systems in Mississippi, SDWA requirements allow states to give priority to those projects which:

4. address the most serious risk to human health.
5. ensure compliance with the SDWA requirements.
6. assist areas most in need, on a per household basis.

B. Priority Ranking Categories

Emergency Projects

The Project Priority List may be amended during the year for declarations of emergencies designated by the Governor (pursuant to §33-15-11(b)(17)) or the State Health Officer (pursuant to §41-26-1 et sec.). The emergency project must meet all eligibility and loan requirements, but the additional public review and comment requirement may be waived. Once an emergency has been declared and the project is determined eligible, Emergency projects will take priority over all other project categories. Any emergency project must be documented in the DWSRF Annual Report and is subject to EPA oversight review.

Standard DWSRF Projects

Projects in Category I are funded each year to the extent funds are available. Projects in Categories II through XI are ranked in priority order; that is, all Category II projects are ranked higher than Category III projects, etc. Ranking is established in like manner through all remaining categories. Adjustments are made as necessary to comply with small community set-aside provisions of the Federal SDWA and as established by the Board [Section 1542(a) (2) of SDWA]. As stated previously, the order of Categories II - XI is intended to give highest priority to those projects that address the most serious risks to human health. Projects within each category will be ranked as described in

Section B. **Due to the nature of the special appropriation Category I & Category II are not applicable.**

Category III - Primary Drinking Water Standards
This category includes projects to facilitate compliance with Primary Drinking Water Standards. To qualify for this category, projects must correct deficiencies resulting in non-compliance with the primary drinking water standards. Depending on the nature of the project, additional treatment requirements may be necessary as part of the proposed project.

Category IV - One Well
This category includes projects to provide additional water supply to systems that have neither a backup well nor an MSDH-approved emergency tie-in to another system to ensure safe drinking water; thereby protecting the health of the existing population. Depending on the nature of the project, additional treatment requirements may be necessary as part of the proposed project.

Category V – Pressure Deficiencies
This category includes projects to correct documented deficiencies that result in existing systems routinely failing to maintain minimum acceptable dynamic pressure. Experience has shown that failure of water systems to maintain minimum acceptable dynamic pressure is the major cause of system contamination in Mississippi. System contamination that results from inadequate water system pressure is considered by the MSDH to be one of the most serious drinking water-related threats to public health in Mississippi.

Category VI - Source Water Protection Projects
This category includes projects to manage potential sources of contaminants/pollutants and/or prevent contaminants/pollutants from reaching sources of drinking water. To be eligible for loan participation, potential contaminants/pollutants and source water protection areas must have been identified in the public water systems source water assessment plan report (swapr) prepared by the Mississippi department of environmental quality's groundwater planning branch (deq-gpb). If the public water system has not received its swapr from the deq-gpb yet, or has documentation that may change its swap, it shall provide in the facilities plan suitable documentation of potential sources of contaminants/pollutants that is acceptable to the deq-gpb before the project will be deemed eligible.

The projects will be ranked: first in order of the highest source water classification that would be negatively impacted by source water contaminants; secondly, within each classification in order of the public water systems susceptibility assessment ranking as determined by the deq-gpb; and thirdly, within each susceptibility assessment ranking in order of the highest number of connections served by the public water system. Source water classifications will

be ranked in the following order: surface water sources; shallow (generally ≤ 300' in depth) unconfined water wells; shallow (generally ≤ 300' in depth) confined water wells; and deep confined water wells.

Category VII - System Capacity Expansion to Serve Existing Unserved Residences/Businesses

This category includes projects to either expand existing system capacity or construct a new drinking water system to ensure safe drinking water (source, treatment and/or distribution) to serve existing residences/businesses in currently unserved areas.

Category VIII - Back-up Water Supply Sources Projects

This category includes projects to provide additional supply to systems with insufficient back-up water supply sources to ensure safe drinking water, and thereby protect the health of the existing population. As a minimum, a system using ground water should be able to lose any one of the wells supplying the system and still maintain minimum acceptable dynamic pressure throughout the entire system.

Category IX – Existing Facilities Upgrades (Meeting Primary Standards)

This category includes projects to rehabilitate, replace, protect or upgrade deteriorated, worn, aged or obsolete equipment, facilities, etc., to assure continued, dependable operation of water systems where such systems are already meeting Primary Drinking Water Standards. Depending on the nature of the project, additional treatment requirements may be necessary as part of the proposed project.

Category X - Fluoride Addition

This category is for projects that either rehabilitate existing fluoride treatment facilities at well or treatment plant sites or add new facilities to existing well or treatment plants.

Category XI - Secondary Drinking Water Standards Projects

This category includes projects to provide treatment that brings systems into compliance with Secondary Drinking Water Regulations. Depending on the nature of the project, additional treatment requirements may be necessary as part of the proposed project.

Category XII – Consolidation Projects

This category includes projects to consolidate separate systems into a single system for purposes other than those related to Categories II through IX. Consolidation will also be considered in establishing priority ranking within all categories, as described in the Priority Ranking Criteria in Section C.

Category XIII – Other

This category includes projects that do not meet the criteria of any other listed category and have been determined loan eligible in accordance with the DWSIRLF loan program regulations.

B. Priority Ranking Criteria

The criteria for ranking Standard DWSRF projects within each category is intended to give priority to projects that: (1) benefit the most people per dollar expended; (2) assist systems most in need on a per household affordability basis as required by the SDWA (3) use consolidation with other systems to correct existing deficiencies and improve management; (4) take into consideration the system's current capacity; (5) encourage participation in short-term and long-term technical assistance programs; and (6) encourage an Asset Management Plan participation in the Drinking Water Needs Survey. These considerations are addressed by the Priority Ranking Criteria in the following manner:

1. *Benefit/Cost*
   Benefit/Cost points assigned to each project will be determined using the following formula:

   $$\textit{Benefit/Cost Points} = \frac{\textit{Number of benefiting connections}}{\textit{Total eligible cost of improvements (in \$1.0 millions)}}$$

   The number of benefiting connections must be included in the facilities plan submitted by the applicant; be defined as the sum of individual connections **currently experiencing deficiencies that will be corrected by the improvement;** and include only existing residences, businesses, and public buildings. Applicants must furnish information (including hydraulic analysis, if necessary) to support their estimate of the number of benefiting connections. The total eligible cost is in millions of dollars (i.e., $800,000 = $0.8 M).

2. *Affordability Factor*
   An affordability factor will be assigned to each project to reflect the relative needs of applicants on a per household basis. The Benefit/Cost points calculated in Section C.1. will be adjusted using the affordability factor in the following formula:

   Adjusted Benefit/Cost Points = (Affordability Factor) x (Benefit/Cost Points)

   The affordability factor used in the calculation is defined as the ratio of the "Median Household Income" (MHI) for the State of Mississippi ($49,111) to the MHI for the affected community. The affordability factor used in the calculation will be no less than 1.0 and no greater than 1.5.

3. *Consolidation*
   Any project that includes consolidation (ownership and management) of separate existing systems into a single system will receive consolidation points equal to 0.5 times the Adjusted Benefit/Cost points assigned to the project. The purpose of assigning consolidation points is to promote reliability, efficiency and economy of scale that can be achieved with larger water systems while discouraging the proliferation of numerous separate small systems with their inherent inefficiencies

and limitations. Projects, in any priority category, that do not include consolidation will receive zero consolidation points in the final calculation of total priority points.

Consolidation Points = 0.5 x (Adjusted Benefit/Cost Points)

4. *System Capacity*
   Any project that includes scope of work to address critical design capacity issues (systems that are currently overloaded or within two (2) years of reaching their current design capacity, as determined by MSDH) will receive additional priority points equal to 25% of the Adjusted Benefit/Cost points assigned to the project. Documentation of the system capacity analysis and recommendations to address the design capacity issues must be addressed in the facilities plan to be eligible for these additional priority points.

   System Capacity Points = 0.25 x (Adjusted Benefit/Cost Points)

5. *Participation in Short-Term & Long-Term Assistance Programs*
   The MSDH, with the Board's approval, has contracted with Mississippi State University Extension Service to provide both short-term and long-term assistance to designated water systems in the state based on their scores on the latest Capacity Assessment Form (CAF). This assistance is provided at no cost to the water systems.

   Participation by the water systems in these assistance programs is voluntary; however, any water system that has participated in either of these assistance programs within the past two years will be eligible to receive additional priority points equal to 5% of their Adjusted Benefit/Cost Points. Water systems that have implemented all the recommendations made by Mississippi State University Extension Service will receive additional priority points equal to 5% of their Adjusted Benefit/Cost Points for a total of 10%. Documentation of participation in either of these assistance programs and implementation of the recommendations made by Mississippi State University Extension Service must be included in the facilities plan before additional priority points will be granted.

   *Assistance Points = __**__ x (Adjusted Benefit/Cost Points)*

   ** *5% if the water system participates in the assistance, or 10% if the water system participates in the assistance and implements all recommendations*

7. *Asset Management Plan*

   Any water system certifying and providing support of their Asset Management Plan's implementation or maintenance to MSDH will be eligible to receive additional priority points equal to 10% of their Adjusted Benefit/Cost Points.

Asset Management Plan = 0.10 x (Adjusted Benefit/Cost Points)

7. *Ranking Within Each Category*
   Within each category, projects will be ranked in order based on the total points assigned the project using the following formula:

   Total Priority Points = Adjusted Benefit/Cost Points + Consolidation Points + System Capacity Points + Assistance Program Points + Needs Survey Points

   Projects receiving the most priority points will be given the highest ranking on the Priority List. In case of a tie in the number of priority points, projects with the lowest median household income will receive the highest ranking.

Small Community

Following completion of the ranking process, the Priority List will be reviewed to determine if at least 15% of available funding for projects above the funding line is for public water systems which regularly serve fewer than 5,000 people, which the Board has defined as a small community. If this is not the case, the Priority List will be adjusted by exchanging the lowest ranking projects above the funding line that serve 5,000 or more with the highest-ranking projects below the funding line that serve fewer than 5,000, until the 15% requirement is satisfied.

VII. EQUIVALENCY REQUIREMENTS

All City of Jackson – Supplemental Appropriation funds are federal funds and therefore all equivalency requirements apply to projects they are used to finance. One exception to this rule is the Build America, Buy America (BABA) Act. EPA has determined that the requirements of the BABA Act do not apply to the City of Jackson – Supplemental Appropriation and the projects on this IUP.

VIII. PRIORITY LIST

Supplemental Appropriation
Priority List

Project	Project Description	Priority Points	Service Area Population	Loan Amount Requested	Statewide Cum. $
Category III: Primary Drinking Water Standards Projects					
Jackson, City of	Intake Structure Repair	11099	155000	$5,500,000	$5,500,000
Category V: Pressure Deficiencies Projects					
Jackson, City of	Distribution System Upgrades and Replacements	1182	155000	$48,500,000	$54,000,000
Category IX: Existing Facilities Upgrade (Meeting Primary Standards)					
Jackson, City of	JHF WTP Conversion	13223	155000	$5,000,000	$59,000,000
Jackson, City of	Emergency Small Diameter Pipe Replacement	10708	155000	$5,182,149	$64,182,149
Jackson, City of	Emergency pipe/system replacements	8192	155000	$7,000,000	$71,182,149
Jackson, City of	Well System Rehabilitation	5749	155000	$11,500,000	$82,682,149
Jackson, City of	SCADA System	4934	155000	$13,400,000	$96,082,149
Jackson, City of	Raw Water Pump Rehabilitation- OB Curtis	4408	155000	$15,000,000	$111,082,149
Jackson, City of	Emergency Distribution System Optimization	2804	155000	$19,793,757	$130,875,906
Jackson, City of	Chemical Feed Repair	2755	155000	$24,000,000	$154,875,906
Jackson, City of	Residuals System Upgrade OB Curtis	2328	155000	$28,400,000	$183,275,906
Jackson, City of	Small Diameter Pipe Replacement	1749	155000	$20,000,000	$203,275,906
Jackson, City of	Water Meter Replacements and Condition	1643	155000	$34,900,000	$238,175,906
Jackson, City of	Treatment Process Renewals	735	155000	$90,000,000	$328,175,906
Jackson, City of	Distribution System Optimization	578	155000	$96,057,100	$424,233,006
Category XIII: Other					
Jackson, City of	Emergency Lead Service Line Inventory	18696	155000	$2,968,198	$427,201,204
Jackson, City Of	Debt Retirement- SRF Loan 2	3811	155000	$14,562,349	$441,763,553
Jackson, City of	Debt Retirement Loan 3	3014	155000	$18,410,826	$460,174,379
Jackson, City of	Transfer to 1442b	1837	155000	$36,000,000	$496,174,379
Jackson, City of	Resilient Power Facilities – OB Curtis	1745	155000	$31,800,000	$527,974,379

~~Jackson, City of~~	~~COJ Special Obligation Bonds Series 2013~~	~~1588~~	~~155000~~	~~$34,940,271~~	~~$562,914,650~~

Project	Project Description	Priority Points	Service Area Population	Loan Amount Requested	Statewide Cum. $
Category III: Primary Drinking Water Standards Projects					
Jackson, City of	Intake Structure Repair	11099	155000	$5,500,000	$5,500,000
Category V: Pressure Deficiencies Projects					
Jackson, City of	Distribution System Upgrades and Replacements	1182	155000	$48,500,000	$54,000,000
Category IX: Existing Facilities Upgrade (Meeting Primary Standards)					
Jackson, City of	JHF WTP Conversion	13223	155000	$5,000,000	$59,000,000
Jackson, City of	Emergency Small Diameter Pipe Replacement	10708	155000	$5,182,149	$64,182,149
Jackson, City of	Emergency pipe/system replacements	8192	155000	$7,000,000	$71,182,149
Jackson, City of	Well System Rehabilitation	5749	155000	$11,500,000	$82,682,149
Jackson, City of	SCADA System	4934	155000	$13,400,000	$96,082,149
Jackson, City of	Raw Water Pump Rehabilitation- OB Curtis	4408	155000	$15,000,000	$111,082,149
Jackson, City of	Emergency Distribution System Optimization	2804	155000	$19,793,757	$130,875,906
Jackson, City of	Chemical Feed Repair	2755	155000	$24,000,000	$154,875,906
Jackson, City of	Residuals System Upgrade OB Curtis	2328	155000	$28,400,000	$183,275,906
Jackson, City of	Small Diameter Pipe Replacement	1749	155000	$20,000,000	$203,275,906
Jackson, City of	Water Meter Replacements and Condition	1643	155000	$34,900,000	$238,175,906
Jackson, City of	Treatment Process Renewals	735	155000	$53,424,000	$291,599,906
Jackson, City of	Distribution System Optimization	578	155000	$96,057,100	$387,657,006
Category XIII: Other					
Jackson, City of	Emergency Lead Service Line Inventory	18696	155000	$2,968,198	$390,625,204
Jackson, City of	Debt Retirement- SRF Loan 2	3811	155000	$14,562,349	$405,187,553
Jackson, City of	Debt Retirement Loan 3	3014	155000	$13,808,119	$418,995,672
Jackson, City of	Transfer to 1442b	1837	155000	$36,000,000	$454,995,672
Jackson, City of	Resilient Power Facilities - OB Curtis	1745	155000	$31,800,000	$486,795,672
Jackson, City of	COJ Special Obligation Bonds Series 2013	1588	155000	$34,940,271	$521,735,943

~~***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.

VIIII. EXPECTED PUBLIC HEALTH OUTCOMES & PERFORMANCE MEASURES

The objective of this program is to disperse all available funds in a timely manner to achieve the public health protection benefits resulting from the projects identified in the Disaster Relief Supplemental Appropriation of 2023 IUP, and to ensure compliance with loan agreements, as required by state and federal laws and regulations.

By implementing the IUP and funding projects shown on the Priority List (Section VII), the Board will have the means to plan for and fund projects that will address the most serious public health risks facing the affected area. Funding of projects will be determined by the amount of funding awarded.

The success of the funding will be defined by the ability of the MSDH to successfully meet commitments in this DWSRF Work Plan.

Additionally, the projects should have minimal impact on the environment due to the nature of their design. Where necessary, appropriate environmental reviews will occur and proper permitting through the Mississippi Department of Environmental Quality will be required to ensure minimal impact on the environment.

APPENDICES

APPENDIX A: CITY OF JACKSON WORKPLAN FOR THE SUPPLEMENTAL APPROPRIATION

The information following this paragraph is the City of Jackson's proposed work plan developed by the court appointed Interim Third-Party Manager as submitted to the program. Elements of this work plan will be moved to the IUP's Priority List once the EPA and the State have determined that the project/activity is eligible for assistance through this appropriation/ DW SRF program.

~~Description~~	~~Loan Amount 2025 ($M)~~	~~Total Project Cost ($M)~~	~~Status~~
~~Distribution System Optimization~~	~~$16.6~~	~~$16.6~~	~~In Process~~
~~Small Diameter Pipe Replacement~~	~~$20.0~~	~~$20.0~~	~~Approved Revised~~
~~SCADA System~~	~~$13.4~~	~~$13.4~~	~~Approved~~
~~Chemical Feed Repair OBC~~	~~$67.6~~	~~$67.6~~	~~Approved*~~
~~Treatment Process Renewals~~	~~$53.4~~	~~$53.4~~	~~Approved*~~
~~Emergency Distribution System Optimization~~	~~$19.8~~	~~$19.8~~	~~Approved~~
~~Emergency Small Diameter Pipe Replacement~~	~~$5.2~~	~~$5.2~~	~~Approved~~
~~Emergency Lead Service Line Inventory~~	~~$2.9~~	~~$2.9~~	~~Approved~~
~~Emergency Reimb for Eligible Infrast Materials~~	~~$34.9~~	~~$34.9~~	~~Approved~~
~~DWSRF Retirement~~	~~$33.0~~	~~$33.0~~	~~Revised~~
~~Resilient Power Facilities for OBC~~	~~$31.8~~	~~$31.8~~	~~Approved~~
~~Distribution System Upgrades and Replacement~~	~~$48.5~~	~~$48.5~~	~~In Process Revised~~
~~OBC Residuals System Upgrade~~	~~$28.4~~	~~$28.4~~	~~Revised~~
~~Well System Rehabilitation~~	~~$11.5~~	~~$11.5~~	~~Revised~~
~~Distribution Storage Upgrades~~			~~Deferred~~
~~OBC HSPS/Backwash Electrical~~			~~Deferred~~
~~Intake Structure Repair OBC~~			~~Deferred~~
~~OBC Raw Water Pump Replacement~~	~~$15.0~~	~~$15.0~~	~~New Approved~~
~~JHF Pump Station Conversion~~	~~$5.0~~	~~$5.0~~	~~Revised~~
~~Unit Bid Projects~~	~~$7.0~~	~~$7.0~~	~~New~~
~~Transfer to 1442b~~	~~$36.0~~	~~$36.0~~	~~New~~
~~Replacement Membranes~~			~~Removed~~
~~TOTAL~~		~~$ 450.0~~	

Description	Loan Amount 2025 ($M)	Total Project Cost ($M)	Loan Status
Chemical Feed Repair OBC (Loan #1)	$67.6	$67.6	Approved
Emergency Distribution System Optimization (Loan #2)	$19.8	$19.8	Approved
Emergency Small Diameter Pipe Replacement (Loan #3)	$5.2	$5.2	Approved
Emergency Lead Service Line Inventory (Loan #4)	$3.0	$3.0	Approved

Emergency Reimb for Eligible Infrastr Materials (Loan #5)	$34.9	$34.9	Approved
Treatment Process Renewals (Loan #6)	$53.4	$53.4	Approved
SCADA System (Loan #7)	$25.2	$25.2	Approved
Choctaw Village 2310 (Loan #8)	$7.2	$7.2	Approved
Resilient Power Facilities for OBC (Loan #9)	$31.8	$31.8	Approved (to be Amended +)
OBC Raw Water Pump Replacement (Loan #10)	$15.0	$15.0	Approved (to be Amended -)
OBC Residuals System Upgrade (Loan #11)	$28.4	$5.5	Approved (to be Amended -)
Fortification St (Loan #12)	$16.7	$16.7	Approved (to be Amended +)
Broadmoor/Brown (Small Dia 2311 and 2312) (Loan #13)	$6.0	$6.0	Approved
Merit Health 2309 (Loan #14)	$0.0	$0.0	On Hold
Surface Restoration 2328 (Loan #15)	$6.8	$6.8	Submitted
MMC- 2401 (Loan #16)	$1.3	$1.3	Submitted
DWSRF Retirement (Loan #17)	$28.4	$28.4	Approved
Well System Rehabilitation (Loan #18)	$11.5	$11.5	Submitted
Reallocation from SRF to 1442(b)	$54.0	$54.0	Approved
Galatin 2308 (Loan #19)	$13.4	$13.4	Submitted
West/Rankin St 2324 (Loan #20)	$10.2	$10.2	Submitted
East Oak Forest (Small Dia) 2322	$8.9	$8.9	Current Estimate
Maddox/TV Road 2326	$10.3	$10.3	Current Estimate
Hydrants	$3.2	$3.2	Current Estimate
LCRI (Potholing Validation)	$1.0	$1.0	Current Estimate
Valves	$3.2	$3.2	Current Estimate
Oakdale Subdivision/Westside Park 2323/2327	$6.0	$6.0	Current Estimate
Briarwood/Canton Heights Rd/North Colony 2329/2330	$5.1	$5.1	Current Estimate
JHF Pump Station Conversion	$2.5	$2.5	Current Estimate
Unit Bid Projects	$0.0	$0.0	Removed
TOTAL	$480.0	$457.1	

Legend

Approved Loan/Agreement/Project Moving Forward

In Process Loan App Submitted - Currently under review Deferred Project Deferred Due to Budgetary Constraints Removed Project Removed. Alternative Funding Utilized Revised Revised/New Budgetary Numbers

New New Project Priority Added

* Loan Amendment Request Submitted or In Process

INTRODUCTION

The City of Jackson received a direct appropriation through the Consolidated Appropriations Act, 2023 to be administered under the Section 1452 of the Safe Drinking Water Act as follows:

For an additional amount for "State and Tribal Assistance Grants", $450,000,000, to remain available until expended, for capitalization grants under section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j–12): Provided, That notwithstanding section 1452(a)(1)(D) of the Safe Drinking Water Act, funds appropriated under this paragraph in this Act shall be provided to States or Territories in EPA Region 4 in amounts determined by the Administrator in areas where there the President declared an emergency in August of fiscal year 2022 pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): Provided further, That notwithstanding the requirements of section 1452(d) of the Safe Drinking Water Act, for the funds appropriated under this paragraph in this Act, each State shall use 100 percent of the amount of its capitalization grants to provide additional subsidization to eligible recipients in the form of forgiveness of principal, grants, negative interest loans, other loan forgiveness, and through buying, refinancing, or restructuring debt or any combination thereof: Provided further, That the funds provided under this paragraph in this Act shall not be subject to the matching or cost share requirements of section 1452(e) of the Safe Drinking Water Act: Provided further, That the Administrator of the Environmental Protection Agency may retain up to $1,000,000 of the funds appropriated under this paragraph in this Act for management and oversight.

PROJECT SELECTION PROCESS

On November 29, 2022, Henry T. Wingate, United States Federal District Judge in the United States District Court for the Southern District of Mississippi (Northern Division) signed an Interim Stipulated Order in Case No. 3-22-cv-00686-HTW-LGI, the United States of America v the City of Jackson, Mississippi. This order appointed an Interim Third-Party Manager (ITPM) to control the drinking water system in Jackson, serving the residents of Jackson, the town of Byram, and a portion of Hinds County. The Order also included a list of priority projects that were to be completed by the ITPM as expeditiously as possible to ensure safe and reliable drinking water remains available to all customers, at all times. These projects have been programmed with other available funding in the Financial Management Plan developed by the ITPM in January 2023 as updated in April 2024, and those programmed for funding through the State Of Mississippi, Drinking Water Systems Improvements, Revolving Loan Fund Program (DWSRF) in 2024 are included in this appendix. These projects were developed based on knowledge JXN Water is gaining daily, a preliminary CIP developed by Jacobs, preliminary results from Stantec's analysis of the distribution system, and best engineering practices.

PROGRAM ACTIVITIES

Distribution System Optimization

Over the past year a GIS was completed which enabled completion of a hydraulic model. Additionally valve assessment work found and corrected positions of over 1,000 valves. This data formed the foundation for a complete assessment of the distribution system. Several deficiencies were identified with solutions varying from new pipe segments, increased diameter of existing pipes, pressure booster stations, etc. This project will design and construct these solutions.

Emergency Distribution System Optimization

This project is the first of several phases of the Distribution System Optimization project. This first phase began in February 2023, shortly after the Interim Third-Party Manager was appointed by the Interim Stipulated Order. Initial needs were identified as development of tools required to analyze and operate the system, including GIS, a hydraulic model, a work management system, asset management system, and related integrations. The other immediate need was a reduction in water loss, estimated at the time at over 35 MGD. An engineering firm, Stantec, was brought on board to perform the needed services and coordinate water loss reduction efforts to be accomplished by contractors working under this emergency authorization.

This first phase also includes three large pipe rehabilitation projects to reduce water loss as well as valve replacements to optimize system operations:

- Colonial Golf Course – This specific project was required to rehabilitate the 48-inch diameter transmission main, approximately one-half mile from the OB Curtis Water treatment plant. The project required a significant bypass to maintain service to the 155,000 users during the rehabilitation work. A section of the pipe had failed along the banks of Purple Creek, in the abandoned Colonial Golf Course. The estimated water loss from this location was 5 MGD and had been flowing for more than 5 years. The PCCP pipe was over 35 deep where it went under Purple Creek, making the rehabilitation very complex.

- Fortification and Prentiss – This specific project was required to rehabilitate a 20-inch diameter transmission main running along Fortification Street parallel to an active railway facility. Significant leaks along this pipe were threatening the stability of the railbed and need immediate attention. This work included a new railroad crossing and extended southward along Prentiss Avenue. A future phase will continue the rehabilitation along Prentiss Avenue.

- Northside Drive – This specific project was required to replace several critical valves on Northside Drive at I-55 that were non-functional and impacting the ability of the water system to operate as designed – creating pressure issue for customers throughout the system. Additionally, one valve had a significant on-going leak that was eroding the pavement at a high-volume interstate access point.

Small Diameter Pipe Replacement

A significant factor in the challenges to maintain pressure and water quality in the distribution system is the over 100 miles of piping in the Jackson Water System that is less than 6 inches in diameter, with a majority of that 2-inch diameter galvanized pipe. All small diameter piping needs to be replaced with a minimum of 8-inch diameter pipe. This will improve localized pressure issues, meet current fire protection standards, and will improve aesthetic qualities of the water (taste, odor, color) in homes and businesses served by these 2-inch pipes. This program will replace the 2-inch through 4-inch diameter mains as well as service lines back to the edge of the public rights-of-way. The work will be coordinated with funding for wastewater system improvements to allow replacement of sewer lines in the same streets at the same time – preventing streets from being opened twice.

Emergency Small Diameter Pipe Replacement

A significant factor in the challenges to maintain pressure and water quality in the distribution system is the over 100 miles of piping in the Jackson Water System that is less than 6 inches in diameter, with a majority of that 2-inch diameter galvanized pipe. All small diameter piping needs to be replaced with a minimum of 8-inch diameter pipe. This will improve localized pressure issues, meet current fire protection standards, and will improve aesthetic qualities of the water (taste, odor, color) in homes and businesses served by these 2-inch pipes. This program will replace the 2-inch through 4-inch diameter mains as well as service lines back to the edge of the public rights-of-way. The work will be coordinated with funding for wastewater system improvements to allow replacement of sewer lines in the same streets at the same time – preventing streets from being opened twice.

This project was initiated using limited competition under emergency procurement methods. Recognizing the significant threat to public health, getting work started on the first phase of small diameter pipe replacement to understand the challenges associated with creating significant disruption in neighborhoods. Getting started on this critical program fast was critical to regaining trust in the water system, so the ITPM declared an emergency in accordance with Mississippi Code §31-7-3. For that reason, the procurement documents do not meet all SRF requirements.

SCADA

This project will install a completely new SCADA system providing data to control and manage the entire water system (plants, wells, and distribution system). A fully functional SCADA is necessary for reliable operation of modern water systems. This project will provide that for JXN Water.

Chemical Feed Repair (OB Curtis)

The chemical feed and disinfection systems and supporting facilities at the O. B. Curtis WTP need to be replaced with safer and more reliable systems. The current systems do not support reliable operation of the WTP process for safe, reliable, and sustainable drinking water. Aluminum chloralhydrate (coagulant), sodium permanganate (oxidizer), coagulant aid polymer, and fluoride system will be replaced with similar processes. The disinfection systems will be transitioned from gas to liquid feeds. The existing chlorine gas system will be replaced with an on-site hypochlorite generation system to feed hypochlorite and the existing ammonia gas system will be replaced with a liquid ammonium sulfate system.

Treatment Process Renewals

As part of the third-party operation and maintenance of the water treatment plants, a comprehensive process review was conducted to ascertain process improvements required to maintain safety and reliability. This assessment identified various projects that need to be implemented to address condition, reliability, and capacity constraints. This project will address some of the highest priority items identified during the process review and CIP development including improvements to the flocculation and sedimentation basins, permanent liquid lime system, and residuals handling system.

DWSRF Retirement

To reduce debt service burden on the system, existing DWSRF debt will be retired with this project. Current payoff is approximately $13.9 million.

Emergency Reimbursement for Eligible Infrastructure Materials

This project will reimburse JXN Water for eligible infrastructure materials purchased under a contract with Siemens Industries, Inc, entered into on December 28, 2012. The contract was a performance contracting agreement procured in compliance with the State of Mississippi's performance contracting laws and procedures in effect at that time as evidenced by the approval letter issued by the Mississippi Development Authority on March 29, 2013.

This reimbursement request is limited to certain SRF eligible materials including water meters, water meter box lids, associated materials (washers, unions, valves, setters, offsets, etc.), billing system software, and billing system hardware.

Emergency Lead Service Line Inventory

This project will inventory the service lines in the City of Jackson's water system in accordance with the USEPA requirements included in the Lead and Copper Rule Revisions (LCRR).

This project is nearly complete with the inventory to be submitted by October 16, 2024. This project requests reimbursement for costs incurred for engineering and the potholing work required to expose and confirm service line materials.

Resilient Power Facilities for OB Curtis

This project will add alternative and emergency power facilities to OB Curtis to ensure critical treatment processes can be operated during prolonged failures or disruptions to the Entergy grids serving OBC.

Distribution System Upgrades and Replacements

This project will replace pipe segments identified as highly likely to fail, undersized, or sources of significant water loss as identified by JXN Water's ongoing condition assessment. The project will also replace failed valves, install new valves as necessary, new hydrants, and related water distribution infrastructure throughout the JXN Water system.

OBC Residuals System Upgrade

The residuals system at OBC has failed. Preliminary evaluation indicates it may have significant design issues as well. This project will conduct a complete evaluation of the residuals system and a cost benefit analysis to determine the best life-cycle cost solution for OBC. The solution will be designed and implemented with this project upon completion of the selection of the best cost alternative.

Well System Upgrade

This project will make needed improvements to the groundwater (well) system operated by JXN Water. This system serves nearly 15,000 connections and needs significant improvements to ensure safe and reliable service. An additional well will be installed, new piping, disinfection facilities, rehabilitation of storage facilities, site security and related improvements will be incorporated into this project.

Distribution Storage Upgrades

This project will make needed upgrades and rehabilitations to the storage tanks throughout the JXN Water system. Many of the tanks are in need of repair of structural elements, control valves, circulation and potentially disinfection, monitoring system, and related items to ensure water quality is maintained in the tanks and the system, avoiding DBP issues.

OB Curtis HSPS and Backwash Electrical

This project will include rehabilitation or replacement of critical electrical components for the backwash and the high-service pumping systems.

Intake Structure Repairs (OB Curtis)

The intake structure at the Ross Barnett Reservoir has fallen into a state of disrepair. The building that houses needed chemical feed equipment and water quality monitoring sensors needs replacement to protect those systems from the weather. Full water quality sensing at the intake allows operators to see changing raw water conditions to prepare treatment processes for changing water chemistry. Additionally, new flow-paced chemical feed equipment can be directly informed by the raw water data collected at the intake structure, ensuring reliable treatment, and minimizing chemical use. The chemical feed at the intake structure is not functional currently. Feeding chemical at the intake reduces build-up of marine growth in the intake pipes and reduces loading on the screens in the plant.

JH Fewell Pump Station Conversion

Sixty-three percent of the assets at J.H. Fewell Water Treatment Plant (WTP) are in poor or very poor condition, needing immediate rehabilitation or replacement. Because of the age and physical deterioration of J.H. Fewell WTP, it is recommended to decommission and convert J.H. Fewell WTP to a booster pump station for the distribution system. This project will include decommissioning and converting J.H. Fewell WTP to a booster pump station.

Replacement Membranes

The project includes the replacement of two of the size aged and damaged membrane cassettes at the O. B. Curtis WTP's membrane treatment train. The remaining four cassettes are being funded by the USACE.

SCHEDULE FOR COMPLETION

This program is scheduled to begin immediately and continue through 2029 with additional funding phases in future fiscal year programs. The 2024 plan presented here will obligate a maximum of $125.7M by September 30, 2024. The entire $450M appropriation will be obligated by 2029.

EVALUATION PROCESS

These investments will be evaluated through the reduction in the need to issue large precautionary boil water notices (more than 500 customers impacted) and system pressure increases as well as improved permit compliance at the water treatment facilities.

APPENDIX B - CERTIFICATIONS

In addition to the assurances included below, the state acknowledges that there are additional assurances that the state has agreed to in both the Operating Agreement between the State and EPA Region IV and the grants associated with the Disaster Relief Supplemental Appropriation of 2023. These two documents are hereby incorporated into this IUP by reference.

1. The state certifies that all drinking water facility projects in this IUP identified in Section VII as being subject to the federal cross-cutting requirements are or will comply with all such requirements prior to the state entering into an assistance agreement with the recipient.

2. The state certifies that it will make an annual report to the Regional Administrator on the actual uses of the funds and how the state has met the goals and objectives for the previous two fiscal years as identified in the IUPs; and to annually have conducted an independent audit of the funds to be conducted in accordance with generally accepted government accounting standards.

3. The state certifies that this IUP will be subjected to public review and comment prior to final submission to EPA. The state certifies that it will follow the "Mississippi Administrative Procedures Law" in seeking public review and comments on this IUP. A copy of the "Mississippi Administrative Procedures Law" can be obtained from the Mississippi Secretary of State's Office and can be found on the Mississippi State Department of Health's website at www.healthyms.com/dwsrf.

   Through this public review process, the State, Board, and Program hope to include a diverse set of potential interested parties, including community groups, neighborhood associations, environmental organizations, environmental justice organizations, and public health groups, that represent a broad spectrum of community interests.

   An oral proceeding will be held to receive written and oral comments on this IUP. A transcript of the public hearing recording the comments and recommended solutions will be submitted to EPA along with the Final IUP. Anyone desiring to receive a copy of the oral proceeding transcript should contact Brittney Carmichael, Program Support Specialist, at (601) 576-7649 to request copies.

4. The state certifies that all drinking water facility projects in this IUP are on the project Priority List developed pursuant to the requirements of Section 1452(b)(3)(B), SDWA.

5. The state certifies that it will enter into binding commitments for 100% of the amount of each payment (LOC) under the capitalization grant within one year after receipt of each payment (LOC).

6. The state certifies that it will commit and expend monies as efficiently as possible, and to disburse the funds in a timely and expeditious manner.

7. The state certifies that it will conduct environmental reviews on all DWSIRLF cross-cutter equivalency projects in accordance with the State Environmental Review Process (SERP).

8. The state certifies that prior to adding any new projects to this "Priority List" for the purpose of funding such a project by this appropriation that the state will follow the "Mississippi Administrative Procedures Law" in amending this IUP to allow for public review and comments.

9. The state certifies that it has developed and implemented a Capacity Development (CD) strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity as required in Section 1420(c) of the 1996 Amendments to the SDWA. EPA has approved the current CD program.

10. The state certifies the State's Operator Certification Program is currently approved by EPA.

11. The State is committed to and ensures that program's activities comply with Title VI of the Civil Rights Act of 1964