

Keys dates for PWA Transfer to Oxford Project

Feb 2, 2022	Transfer of Punkin Water to Oxford Agreement Signed
Jan 7 2023	Bid accepted for Meter Project
Jun 28, 2023	Meter Replacement Complete
Aug 1, 2023	Bids accepted for pipeline and pumping station projects
Aug 2, 2023	Contracts for pump station and pipeline approved
Sep 18, 2023.	Pipeline and Contract Start dates set
Nov 14, 2023	Water Resell Agreement signed between PWA and Oxford
Mar, 1 2024	Pipeline Contract Completion Date
May 2, 2024	Pumping Station Contract Completion Date

2023 Annual Meeting Update

11/20/2023

Who is Punkin Water?

We are all one of the 1210 members of Punkin Water. All of us long for the day when we are no longer associated with Punkin Water. Everyone one of us hates the Iron and Manganese infused water. Oxford water cannot come quickly enough!

The Board and their primary roles are :

Glynn Ingram

Craig Robinson, Vice President, all Financial Matter

Tom Lincoln, Engineer, Technical Matters

Jason Butts, General Trouble Shooter and Fixer

Reverend Thomas Rogers, Customer relations

None of the Board is compensated. We get paid nothing for serving, you the members. We endure the process and frustrations for the good of all and the long-term benefit of converting to Oxford water.

Our staff is:

Robert Neese, Operator

Pat Lincoln, Customer Service

Karen Gill, Billing

Meagan McDonald, Accounting

John Davis, Operations

2022 Accomplishments

At the beginning of 2022, PWA was faced with a shortage of water and concerns about water quality. It had several choices to consider about the future. They were:

- Run the system ourselves and add new wells and a tank
- Sell the system to a For Profit entity
- Transfer the franchise to Oxford and go on Oxford water.

After considering the costs and benefits of each option, the Members chose to transfer of PWA to Oxford at a special meeting on Feb 22, 2022.

Since that time, the Board worked diligently to get :

- The PSC to allow the transfer to the franchise to Oxford
- Special legislation to allow Oxford to expand into PWA's franchise area passed with the help of our Legislators, Senator Nicole Boyd and Representative Clay Deweese
- Approval from County Supervisors for the transfer
- Engineering plans, advertisements, bids and awards for the three phases of the projects, pipeline, a pump station, and new, electronic read meters.

The PWA Board has been meeting every other week with Oxford to discuss the plans and progress. The primary issue has been the delay in construction due to pipe delivery delay. All that is passed now and the projects are well underway.

Of note, the meter project is complete.

Key Stats

Members, 1210, 1133 on the main plant and 77 on Deere Run

The approved Capacity of PWA is 1281 members, 1190 members on the main plant(94%) and 91 members on Deere Run(84%) . These numbers are from approved Health Department Models and Reports. Unfortunately, the Health Department standard models assume smaller houses with fewer bedrooms and no sprinkler systems. Add in renters for the football season or occasional line breaks and pressure is affected in high usage seasons, Summer and Football Season.

Your bill are reflected by this reality. The Board raised rates in 2019 to incent lower use of water during the high usage seasons. The average rate paid by members is \$ 37. The average sprinkler system can use 2,500 gallons an hour at a cost of \$25. Run the sprinklers several times a month or fill up a swimming pool, bills and easily get to \$ 200- 400. Your bill is completely controlled by your usage.

Growth over the last two years came from “**will serve**” letters that were provided in 2019 and 2020. By law, the “**will serves**” had to honored, and the additional taps were still in the approved capacity of the Health Department and our Engineer’s standards.

PWA Water Usage is over 100 million gallons a year.

Troubles reported to Pat and resolved are about 3,000 calls for any and all things. PWA works very hard to get troubles cleared quickly and efficiently.

One trouble that is of concern is when members cover their meters so they cannot be accessed or remove locks or damage meters. These actions are violation of the state of Mississippi laws and punishable by civil and possible criminal charges.

Financials

We work diligently to keep costs low by using part time employees, not having an office, and having the Board perform Management functions that normally would be done by a full time Manager.

PWA had a good financial year. In 2023:

Revenue is estimated to be \$745,000

Expenses are estimated to be \$455,000

Net Operating Income is estimated to be \$ 289,739

Cash on hand is \$161,000 which represents about 6 months of expenses.

Over the last two years, Impact fees cash from developers, about \$ 976,000 and cash generated by operations was used to pay off of the debt, about \$1,200,000 used to build the tank and wells.

PWA is debt free.

2022 Financials have been submitted to both Federal and State Agencies and all regulatory filings are up to date.

Operations

PWA draws its water from an aquifer that is very deep and has high levels of Iron and Manganese. The water is treated using Health Department standards and monitored by required testing that is done weekly. We produce an annual Consumer Confidence report, posted on the website, required by the Health Department, that shows PWA has pretty good water by their standards. What they do not measure, is Iron and Manganese levels. Those elements are considered by the EPA and the Health Department as nuisance elements that

cause water discoloration. Those elements are checked every day out of the tank and are found to be below the EPA recommended levels.

Unfortunately, the elements fall out of the water when the water is still and not flowing and become mixed with the water when it is stirred up by a line break or heavy usage. This problem is the primary reason for converting to Oxford water. Over a period of time Oxford water will flush these residual elements out of the lines and these problems will lesson.

PWA GPS'd all meters and valves last and replaced all meters with electronic read only meters. These meters have improved read quality and read time from days to hours.

Oxford

Transfer to Oxford and access to their water has taken much longer than expected.

PWA signed their contract with the city on Feb 2, 2022. We Expected to be complete with the project by the end of 2022.

Delay in pipe cost us 1 year. We were supposed to get the pipe in June of 2022 and install it in 60 days. Due to demand for pipe and construction contractors both pipe availability and contract time has extended. **Some of this is a result of post Covid supply chain issues as well as simple supply and demand. Coming out of Covid demand for pipe and demand for contractors spiked. A perfect bad storm for this type project.**

Fortunately, **pipe is now delivered on the ground in Oxford (contracts are signed and all bidding completed)** and it is now underway with a complete date of pipe construction of Mar 1 and pump station of May 2 of 2024.

In the interim, PWA has executed a **“resell agreement”** with Oxford to provide water to members as they convert to Oxford water and before we transfer the franchise to them. The first members are 21 houses on Cannon Road that will be converted by the end of the month. When the pipeline is connected in March, PWA will convert everyone south of the tank to Oxford water. That action will take about 20% of the members off the tank. Their water will come directly from Oxford. Since they are still PWA customers (**without the legal transfer of franchise rights to the city**), we will buy the water from Oxford and continue to service them **under the PWA franchise** .

After the pumping station (**you might want to explain the reason for the pumping station at this point- and might add this is an expensive part of the process**) is completed in May, we will convert the remaining customers to Oxford and transfer the franchise to them and dissolve Punkin Water Association.

You may also anticipate the questions concerning our existing water tank which will be filled with Oxford water and continue to be used for Pressure purposes. Also, let them know the existing wells will be closed and dismantled. I have heard several folks ask about cleaning and painting the inside of the existing tank.

Let them know at conversion all billing, service work and disputes will be completely handled by the City of Oxford. PWA will cease to operate as a water system after the conversion.

Grant

After the deal with Oxford, had been approved and well underway, the Governor approved a bill that allocated \$300 million in ARPA funds for fixing rural water systems. The Primary focus of the Grants was for Consolidation.

On Sep 15, 2022, PWA submitted a Grant proposal for approval for funds hoping to offset the cost of infrastructure to connect to Oxford

On Jan 6, 2023, PWA was added to funded list

The Health Department told PWA to proceed with construction and that any completed work could be entered for payment. Purchasing, except for Engineering, could be done by state purchasing guidelines

On April 7, the formal Grant was approved by Health Department.

On Oct 13, 2023 The Health Department issued new rules that all projects had to be bid under Federal Purchasing laws and that all of our contracts would have to be rebid. PWA had already finished the meter project and bid the pipeline and pump station according to their prior direction.

Consequently, PWA has an approved Grant it cannot draw funds from.

PWA is working with its legislative partners to determine if there are other options.