

BUTLER | SNOW

August 31, 2022

Cynthia Parker
Madison County, Board Secretary
P O Box 404
Canton MS 39046

Via email: cparker@madison-co.com

Dear Ms. Parker,

We represent the Madison County Wastewater Authority (“the Authority”). The Authority has developed conceptual plans for two projects that are eligible for funding through the Mississippi Municipal and County Water Infrastructure (“MCWI”) grant program. Both projects will benefit the wastewater transport and treatment systems that serve Madison County. On behalf of the Authority, I request that consideration of the projects be placed on the agenda for the upcoming meeting of the Madison County Board of Supervisors on September 6, 2022.

Since its inception, the Authority has worked with local governments to develop and maintain long-range planning for wastewater systems within Madison County. At present, members of the Authority include the Madison County Board of Supervisors, the City of Madison, Bear Creek Water Association, the Pearl River Valley Water Supply District, West Madison Utility District, and Lake Lorman Utility District. Wastewater generated in these areas, along with the City of Canton, is treated at the Beattie’s Bluff Wastewater Treatment Facility located in Canton, Mississippi (“Beattie’s Bluff”). To carry out its mission, the Authority has constructed more than 40 miles of wastewater pipelines, several wastewater pumping stations, and delivered wastewater from many parts of Madison County to Beattie’s Bluff for treatment. Like many wastewater treatment facilities, Beattie’s Bluff is approaching its wastewater treatment capacity necessary to accommodate the needs of residential growth and new industries and businesses.

In keeping with its mission for long-range planning, the Authority commissioned an engineering study of projected growth and wastewater capacity needed for residential growth. The results of the study identified two projects that are critical to the Authority’s plans to accommodate growth. The two projects meet the criteria for the use of MCWI grant funds and the Authority believes both projects will score well in the competitive grant program because they can be completed within the program’s timelines and will provide wastewater transportation and treatment capacity that is needed today. In addition, the projects will serve all of Madison County, which incorporates multiple political subdivisions.

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The Engineering Report provided with this letter provides details of two projects that total \$21.9M and are a part of the Authority's current needs to expand treatment and transport capacity. The MCWI grant program application period comes at an ideal time for these projects. If applications are approved, the County could expend \$10M of its ARPA funds and receive another \$10M grant, for a total investment of \$20M to benefit to the citizens of Madison County.

As you know, Madison County as the recipient of ARPA funds must submit the application for each project to the MCWI program. To assist the County, we have attached a proposed resolution for the County's consideration. The resolution states the County's intention to submit applications and to designate funds to implement the MCWI-eligible portion of funded projects and authorizes a representative to execute the MCWI application on behalf of the County. **In order to meet the deadlines for MCWI grant applications, the Authority requests that the Board of Supervisors consider this resolution at its next meeting on September 6, 2022.**

The Authority looks forward to partnering with the County to fund and implement these important wastewater improvement projects. The Authority has developed plans for both projects and is ready to provide these plans and additional information that will be necessary for the County's application. Please reach out to me with any questions and we look forward to discussing these projects with the Board at its next meeting.

Sincerely,

BUTLER SNOW LLP

A handwritten signature in blue ink, appearing to read 'J. Brunini', with a long horizontal flourish extending to the right.

John A. Brunini

Enclosures

65579824.v1

ENGINEERING REPORT

**Description of Need,
Request for ARPA LFRF Funds Assistance**

2022 WASTEWATER IMPROVEMENTS

September, 2022

Madison County Wastewater Authority
Madison County, MS



WGK, Inc.
Engineers & Surveyors
Clinton, MS
2022-189-00

Madison County Wastewater Authority
Description of Need, Request for Assistance
September, 2022

As you are aware, Madison County Wastewater Authority (MCWA) provides wastewater transport and treatment services in Madison County, utilizing a system of pump stations, force mains and the Beatties Bluff Wastewater Treatment Facility. Originally envisioned to serve the Nissan automobile production facility and adjacent communities, the regional system has enabled rapid development of residential, commercial and industrial clients in its service area during the past 20 years. National and international companies have taken notice of the unique opportunities in Madison County and there is strong interest in further economic development that will benefit the region and state.

Challenges

- The growth in demand for sewer service will soon reach the capacity of MCWA's existing treatment and transport facilities. The treatment plant is currently permitted to treat 8 million gallons per day (MGD) of wastewater, and during high flow months the plant is already near 80% capacity. Based on the 2020 census data and projections, NON-INDUSTRIAL growth in the existing service area will tap the remaining treatment capacity within 5-8 years, and even more quickly if potential flows from the West Madison Utility District are received for treatment. *Therefore, significant projects to expand treatment and transport capacity must be completed by January 1, 2027.*
- At the same time that capacity needs to be expanded, many of the MCWA facilities are reaching their service lives and expensive equipment systems need to be replaced.
- Costs for wastewater construction have risen dramatically in the past 18 months, roughly doubling.

*The members of the Authority recognized these challenges and the key role that wastewater management plays in providing wastewater treatment and transmission for residential and commercial users and also the importance of economic competitiveness of the county, and for this reason MCWA made a request last December for the County to provide a significant allocation of its ARPA/LFRF funds to MCWA and support MCWA's efforts to obtain additional funding from the State. **Now that the State has published the program requirements for accessing any state funds through the MCWI program, we are submitting this updated request. MCWA's access to state MCWI funds is absolutely constrained by the amount of county funds allocated to MCWA.***

Solution

The Wastewater Authority has reviewed the MCWI Grant Program Scoring System and identified two projects with the greatest need for meeting our wastewater system capacity needs and having the highest probability of capturing the limited state match funds. These projects substantially increase the volume of wastewater that can be transported to the treatment facility from current and future residential, commercial **and industrial sources**, while also extending by 2 to 4 years the ability of the current treatment facility to meet permit flow restrictions during high-rainfall months. These items are depicted on Exhibit 1 as “MCWI FUNDED”, and include:

- ❖ Strategically upgrade the system of force mains transporting wastewater to the plant by installing a parallel 30” force main leading to the plant. Addition of this main is a key phase-1 component to increase flow capacity **for the entire system**, including the West Madison Utility District, the Amazon development area and Nissan.
- ❖ Construct an earthen equalization basin at Beatties Bluff to enable the monthly volume of discharge to be controlled during wet months to maintain permit compliance. This improvement will serve the entire MCWA system.

Note that future improvements are also included on Exhibit 1 to depict the long-term development plan for the system, consistent with what has been previously presented.

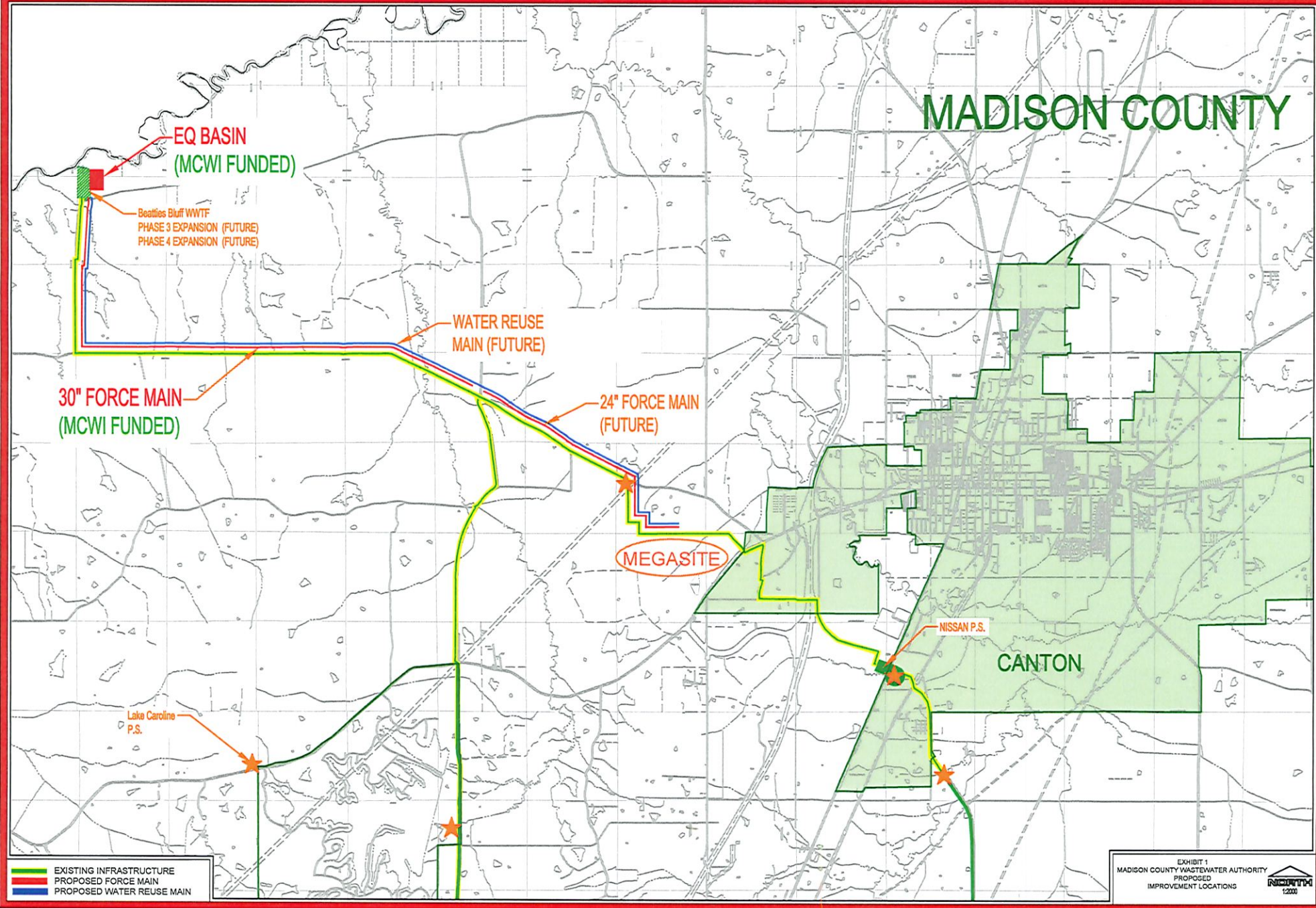
Costs

Costs for the proposed ARPA/MCWI projects are depicted on Exhibit 2 and total \$21.9M. MCWA will also have to complete almost \$6M in other projects by 2026. Long term, \$112.3M in costs are foreseen to serve residential, commercial and significant industrial development and provide access to treated water as a resource. A proposed funding timeline for each improvement is also shown.

Request


The diligent efforts of many parties at the state, county and local levels have created the attractive environment that is drawing so much interest. MCWA met with State officials during the 2022 legislative session to request direct State funding of these projects, but it appears the only access to State funding will be through the MCWI program. If the County provides \$10M of its ARPA SLFRF funds to MCWA then \$20M of the \$21.9M of eligible projects can possibly be funded; if \$5M is provided then \$10M can be funded. Without a substantial contribution from the County, it is likely the short term improvements funded by MCWA will be limited to the Equalization Basin to serve foreseeable residential growth.

MADISON COUNTY



EXISTING INFRASTRUCTURE
PROPOSED FORCE MAIN
PROPOSED WATER REUSE MAIN

EXHIBIT 1
MADISON COUNTY WASTEWATER AUTHORITY
PROPOSED
IMPROVEMENT LOCATIONS



1200

EXHIBIT 2

PROJECT EXPENSES AND TIMELINE - ALL ACTIVITIES
 Madison County Wastewater Authority
 Wastewater Improvements
 September, 2022

ACTIVITY	COST	TIMELINE OF COSTS			
		2023/24	25/26	27/28	2029+
ARPA/MCWI PROJECTS					
30" FM	\$ 18,100,000	\$ 5,000,000	\$ 13,100,000		
15 MG EQ BASIN AT WWTF	\$ 3,800,000	\$ 1,500,000	\$ 2,300,000		
TOTAL LFRF/MCWI PROJECTS	\$ 21,900,000	\$ 6,500,000	\$ 15,400,000		
NON-ARPA/NON MCWI PROJECTS					
<u>WWTF IMPROVEMENTS</u>					
WWTF PHASE 3 EXPANSION	\$ 30,000,000				\$ 30,000,000
WWTF PHASE 4 EXPANSION	\$ 30,000,000				\$ 30,000,000
RAS PUMP UPGRADES	\$ 202,500	\$ 202,500			
INFLUENT SCREEN UPGRADE	\$ 1,097,100	\$ 1,097,100			
SLUDGE REMOVAL	\$ 2,868,750	\$ 1,000,000	\$ 1,868,750		
<u>FORCE MAIN UPGRADES</u>					
24" FM	\$ 5,500,000				\$ 5,500,000
WATER REUSE MAIN	\$ 19,000,000				\$ 19,000,000
ARV REPLACEMENT	\$ 548,100	\$ 548,100			
<u>PUMP STATION UPGRADES</u>					
PUMPS AT 3 STATIONS	\$ 408,200	\$ 408,200			
NISSAN AND POST OAK CORROSION REHAB	\$ 744,458	\$ 744,458			
TOTAL OF PROJECTS	\$ 112,269,108	\$ 10,500,358	\$ 17,268,750	\$ -	\$ 84,500,000
LFRF GRANT		\$ (5,000,000)	\$ (5,000,000)		
FUND FROM SRF OR OTHER SOURCES		\$ 5,500,358	\$ 12,268,750	\$ -	\$ 84,500,000
Annual Billing Units:		1765000	1765000	1765000	1765000
Debt Service per billing unit at SRF rate:		(\$0.17)	(\$0.39)	\$0.00	(\$2.65)
Cumulative DEBT SERVICE:		(\$0.17)	(\$0.56)	(\$0.56)	(\$3.21)

**RESOLUTION OF THE MADISON COUNTY BOARD OF SUPERVISORS,
AUTHORIZING THE SUBMITTAL OF APPLICATION TO THE MISSISSIPPI
MUNICIPAL AND COUNTY WATER INFRASTRUCTURE (“MCWI”) GRANT
PROGRAM AND DESIGNATING ITS AUTHORIZED REPRESENTATIVES TO
EXECUTE THE APPLICATION**

WHEREAS, on March 11, 2021, the President of the United States signed into law the American Rescue Plan Act to provide continued relief from the impact of the COVID-19 pandemic (“COVID-19”); and

WHEREAS, the American Rescue Plan Act, through the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund (together, “ARPA”), allotted approximately \$350 billion to assist state, local, tribal and territory governments in responding to COVID-19, and Madison County, Mississippi (the “County”) has received a total of \$20,642,090 from ARPA; and

WHEREAS, the United States Department of the Treasury has established a final rule implementing ARPA as effective April 1, 2022, FAQ’s and related guidance, as amended from time to time (“Guidance”), setting forth specific requirements for utilizing the funds, including the eligible uses thereof, received under ARPA; and

WHEREAS, the Mississippi Senate Bill 2822 (2022) provided funding and parameters for a program, which funding is derived from Mississippi’s ARPA allocation, and will provide matching funds on a one-to-one basis to eligible counties and municipalities for making necessary investments in water, wastewater, and stormwater infrastructure known as the Mississippi Municipality and County Water Infrastructure (“MCWI”) Grant Program; and

WHEREAS, the Mississippi Department of Environmental Quality (“MDEQ”) developed regulations, FAQ’s, and related guidance for the MCWI program (the “MCWI Guidance”); and

WHEREAS, the MCWI Guidance defines eligible applicants to include any Mississippi county that has been awarded ARPA funds that will direct funds towards necessary investments in infrastructure including projects that are eligible for the Environmental Protection Agency’s Clean Water State Revolving Fund Program, the Drinking Water State Revolving Fund Program, and certain storm water infrastructure projects, all as eligible under the Guidance; and

WHEREAS, counties must submit an application to MDEQ to apply for MCWI grant funds; which applications must include plans and specifications for necessary investments in infrastructure and a certified copy of the a resolution by the applicant’s governing body which authorizes the submission of the application and designates an authorized representative or office to execute the application and to be the authorized representative on the project; and

WHEREAS, applicants must certify that expenditure of the funds awarded to them under the MCWI program will be in compliance with the Guidance and MCWI Guidance; and

WHEREAS, the MDEQ will accept applications through its applicant portal during a time period to be posted on the MDEQ’s MCWI website, with the first opportunity to submit an application to the portal opening in September of 2022; and

WHEREAS, the County has identified the following projects that may be eligible for one-to-one matching funds under the MCWI program (collectively the “Projects”), and that are eligible for use of the County’s ARPA funds and further described hereto in **Exhibit A**:

- Strategically upgrading the system of force mains transporting wastewater by installing a parallel 30-inch force main leading to the Beattie’s Bluff Wastewater Treatment Plant.
- Constructing an earthen equalization basin at Beattie’s Bluff to control discharge during wet months and to maintain permit compliance.

WHEREAS, the County has preliminarily determined that each of the each of the Projects are necessary investments in waste water infrastructure, a portion of which may be eligible for funding with an MCWI grant, and that, if selected for an MCWI grant, the use of the County ARPA funds for these projects will comply with ARPA and the Guidance; and

WHEREAS, the County desires to develop and submit applications and supporting materials for each of the Projects to MDEQ to request MCWI grant funds upon opening of the MDEQ’s MCWI portal.

NOW, THEREFORE, BE IT RESOLVED by the County Board of Supervisors as follows:

1. That the County intends to submit an MCWI application to MDEQ for each of the Projects and designates _____ as its authorized representative to execute the application and to be the authorized representative on the Projects for the MCWI grant program.
2. That the County, if awarded matching funds from MCWI, will utilize _____ [amount] of its ARPA funds to implement the MCWI-eligible portion of the Projects selected for funding in an amount equal to the MCWI funds and in compliance with the MCWI Guidance and the Guidance.
3. Upon award of funds from the MCWI grant program, the County will take further action related to the obligation and expenditure of ARPA funds in accordance with the Guidance and MCWI Guidance.

Following the reading of the foregoing Resolution, Councilperson _____ made the motion and Councilperson _____ seconded the motion, and the question being put to a roll call vote, the result was taken as follows:

Supervisor Paul Griffin	voted: ____
Supervisor Gerald Steen	voted: ____
Supervisor Shelia Jones	voted: ____
Supervisor Karl M. Banks	voted: ____
Supervisor Trey Baxter	voted: ____

The motion having received the affirmative vote of a majority of the members present, the President of the Governing Body, acting for and on behalf of the County, declared the motion carried and the resolution adopted, on this the ____ day of _____ 2022.

(SEAL)

ATTEST:

ADOPTED:

BOARD SECRETARY

PRESIDENT

The above and foregoing Resolution having been submitted to and approved by the County, this the ____ day of _____, 2022.

ATTEST:

APPROVED:

CITY CLERK

Exhibit A. Engineering Report: Description of Need, Request for ARPA LFRF Funds Assistance

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