



Mississippi Development Authority

Gulf Coast Regional Infrastructure Program

Amendment 2
Modification #3 (Substantial)

Program Funding Reallocation

October 14, 2016

**Mississippi Development Authority
Amendment 2 Modification 3 (Substantial)
Gulf Coast Regional Infrastructure Program
Funding Reallocation**

Overview

This Substantial Modification pertains to the additional use of the \$5.058 billion allocation in CDBG funding from HUD as part of the \$5.48 billion federal appropriation through the Emergency Supplemental Appropriation Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-148). These monies have been designated by Congress for "necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to Hurricanes Katrina, Rita, or Wilma."

Background

Since receipt of its portion of CDBG funds after Hurricane Katrina, the State of Mississippi's overall recovery plan focused on three priorities: recovering housing stock, retaining and recruiting jobs within the storm impacted counties, and rebuilding and strengthening public infrastructure/facilities in designated disaster areas. As Mississippi's long-term recovery needs continually evolve and are reevaluated KCDBG funds designated for infrastructure needs must be reallocated to service Post-Katrina population and development trends.

The MS Gulf Coast Regional Infrastructure Program was developed under Amendment 2 in an effort to provide our citizens with reliable water, wastewater and storm water infrastructure which has been critical to the long-term recovery of the MS Gulf Coast. This program had two primary deliverables:

- 1) To provide infrastructure for the local areas that are reacting to demands placed on existing infrastructure caused by population shifts resulting from Katrina and to accommodate future growth; and
- 2) To move toward and implement a regional infrastructure system – a necessity to promote maximum utilization of resources and efficiency of services.

One important step toward regionalization taken by the State was the 2006 Mississippi Gulf Region Utility Authority Act. This law provided for the creation of a water, sewer, and storm water utility authority for each of the six coastal counties in the disaster area – Pearl River, Stone, George, Hancock, Harrison, and Jackson. This regional concept was established to enhance the local governments' abilities to work jointly in the management of water, wastewater and storm water services, irrespective of political boundaries and provide a mechanism for sharing treatment systems and services to achieve cost efficiencies.

Purpose

Stone County Utility Authority (SCUA) is the smallest and most rural county utility authority. In the same county, there is another utility authority that currently serves approximately 600 customers within the county. In order to further promote maximum utilization of resources and efficiency of services, MDA is submitting this proposed modification to provide funding for SCUA to acquire the Big Level Water System. The acquisition cost is approximately \$3.9 million. \$1.95 million would be funded through cost savings realized on other projects within this program. The remainder would be reprogrammed from unutilized funds in the Katrina Economic Development Program into the Gulf Coast Regional Infrastructure Program.

Program	Prior Allocation	Re-Allocated Amount	Revised Allocation
Gulf Coast Regional Infrastructure Program	\$628,075,000.00	\$1,950,000.00	\$630,025,000.00
Katrina Economic Development Program	\$376,543,016.03	(\$1,950,000.00)	\$374,593,016.03

Acquisition of the Big Level Water System would result in additional revenue of \$16,200 per month/\$194,400 annually to SCUA. This represents an increase of 160% when compared to current SCUA revenues generated from user fees. Combining these authorities will provide for consistent, reliable service to that customer base which is currently underserved.

This reallocation will not impact the intended beneficiaries, planned activities, and on-going projects of the Katrina Economic Development Program from which these funds are being transferred. It merely draws funds from projects within those programs which have been completed and for which unspent funds remain. To the extent that funds are unutilized, they will be reprogrammed to either the Economic Development Program or the Community Revitalization Program.

Substantial Amendments

MDA recognizes that adding or deleting an activity or changing the planned beneficiaries of an activity will constitute a substantial change requiring an amendment to the action plan.

Citizen Participation

This proposed Substantial Modification will be submitted for public comment in English, Spanish and Vietnamese versions to the website at www.msdisasterrecovery.com on October 14, 2016, with the public comment period ending 14 days later on October 28, 2016. Written comments regarding this proposed modification may be mailed to MDA at:

Mississippi Development Authority
Post Office Box 849
Jackson, MS 39205
Attention: Disaster Recovery Division

Comments may also be submitted via facsimile to (601)359-9280 or via email to disasterrecoverycomments@mississippi.org. Following this comment period, changes may be made to the proposal and a final Substantial Modification will then be submitted to HUD for approval.