City of Hattiesburg, MS

200 Forrest St.
P.O. Box 1898
Hattiesburg, MS 39401

Meeting Agenda

Thursday, April 28, 2016

5:30 PM

Council Chambers

City Council - Special Called Meeting

City Council
Special Called Meeting

1. 2016-2643

Take from the Table and Adopt Resolution authorizing submission of USDOT TIGER 2016 (Transportation Investment Generating Economic Recovery) for design, engineering and construction of the Twin Forks Parkway: Phase I in the amount of $13,500,000 ($10,800,000 federal / $2,700,000 local match).

Attachments: USDOT TIGER 2016 - Application Resolution

2. 2016-0148

Adopt an Ordinance amending Sections 28-13(A) & 28-13 (C) of the Code of Ordinances for the City of Hattiesburg, last amended by Ordinance Number 3110 on August 6, 2013, so as to establish charges for water service and supply.

Attachments: ORD - Water Rates, 2016

2016 Water Sewer Rate Schedule - 4-28-16

3. 2016-0149

Adopt an Ordinance amending Chapter 21-2 (D) and Section 21-31 of the Code of Ordinances for the City of Hattiesburg, being Ordinance Number 3167, adopted September 14, 2015, so as to establish rates and charges for sanitary sewer service.

Attachments: ORD- Sewer Rates, 2016

4. 2016-0438

Adopt a Resolution approving the sale and award of the Mississippi Development Bank Taxable Special Obligation Bonds, Series 2016 (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project) in the Aggregate Principal Amount of Not to Exceed Twenty Five Million Dollars ($25,000,000); and for related purposes.

Attachments: RES- Series 2016 Special Obligation Bonds 4-28-16

5. 2016-2650

Authorize and Approve Amendment 1 to Task Order 9 with Neel-Schaffer for Wastewater Treatment and Disposal Using a Land Application Process, authorizing an increase in fees for additional time and services involved in the acquisition phase of the project, authorizing full-time program management services and establishing fees for the remainder of calendar year 2016.

Attachments: Neel Schaffer TO9 Amendment 1

6. 2016-2652

Consider the need to go into Executive Session to discuss potential litigation, in accordance with Miss. Code Section 25-41-7 (4) [b]

7. 2016-0439

Adopt a Resolution authorizing City of Hattiesburg attorneys to file a condemnation action pursuant to Miss. Code Ann. Sections 11-27-1 and 21-37-47 (1972), as amended, to acquire a long-term leasehold interest in a parcel of land believed to be owned by Tatum Timber Co., L.P., that is required for the city's planned land application wastewater treatment system (LAS).

Attachments: RES-LAS (Tatum Lease) - 4-28-16

8. 2016-0440

Adopt a Resolution authorizing City of Hattiesburg attorneys to file a condemnation action pursuant to Miss. Code Ann. Sections 11-27-1 and 21-37-47 (1972), as amended, to acquire a long-term leasehold interest in a parcel of land believed to be owned by Soterra, LLC, that is required for the city's planned land application wastewater treatment system (LAS).

Attachments: RES LAS (Soterra Lease) - 4-28-16

9. 2016-0441

Adopt a Resolution authorizing City of Hattiesburg attorneys to file a condemnation action pursuant to Miss. Code Ann. Sections 11-27-1 and 21-37-47 (1972), as amended, to acquire title for a parcel of land believed to be owned by Soterra, LLC, that is required for the city's planned land application wastewater treatment system (LAS).

Attachments: RES-LAS (Soterra Title) - 4-27-16

RESOLUTION

RESOLUTION AUTHORIZING SUBMITTAL OF A FY2016 TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER) DISCRETIONARY GRANT PROGRAM APPLICATION TO THE US DEPARTMENT OF TRANSPORTATION AND COMMITING REQUIRED MATCH FOR DESIGN, ENGINEERING OF THE TWIN FORKS PARKWAY AND CONSTRUCTION OF PHASE 1

WHEREAS, the U.S. Department of Transportation's National Infrastructure Investments under the Consolidated Appropriations Act, 2016, appropriated **$500** million to be awarded on a competitive basis through the Transportation Investment Generating Economic Recovery (Tiger) Discretionary Grant Program for capital investments in surface transportation infrastructure projects that catalyze investment and growth, fill a critical void in the transportation system or provide a substantial benefit to the nation, region or metropolitan area in which the project is located; and

WHEREAS, TIGER Discretionary Grants may be used for up to 80 percent of the costs of an eligible surface transportation project, which must be matched with at least 20 percent in nonfederal funds that are not already expended or otherwise encumbered; and

WHEREAS, the East Hardy Street to 4th Street and North Main Street Corridor has been studied on several occasions and is identified as a regional surface transportation need by the City of Hattiesburg, City of Petal, Forrest County and Lamar County and area Metropolitan Planning Organization (MPO) and Mississippi Department of; and

WHEREAS, the City of Hattiesburg and its partner has determined that it is in the best interest of the City and southern Mississippi, its residents and its economy, to apply for a FY2016 TIGER Discretionary Program Grant in the amount of **$10,800,000** (80%) to fund Design, Engineering and Construction of Phase 1 of the TWIN FORKS PARKWAY Project as identified in Exhibit A attached hereto; and

WHEREAS, in order to be considered eligible to apply for said grant, the City of Hattiesburg must include in its application documentation of a minimum match commitment of at least **$2,700,000**, which is 20 percent of project costs for Design, Engineering and Construction of Phase 1 of the TWIN FORKS PARKWAY Project ; and

WHEREAS, to provide the required match, the City of Hattiesburg will explore all possible nonfederal funding sources and mechanisms, including Mississippi Legislative budget appropriations; Mississippi Development Authority and Mississippi Department of Transportation grant programs; RESTORE and other resources; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HATTIESBURG, MISSISSIPPI, THAT:

SECTION 1: The statements, findings, determinations, and conclusions contained in the preamble of this resolution are hereby adopted, ratified and incorporated herein.

SECTION 2: The Mayor, Municipal Clerk and such other representatives as may be necessary hereby are authorized to prepare and submit a FY2016 TIGER Discretionary Program Grant application to the US Department of Transportation to fund Design, Engineering and Construction of Phase 1 of the TWIN FORKS PARKWAY Project, and to provide any additional information required by the US Department of Transportation in order to complete its review of said application.

The above and foregoing resolution, after having been first reduced to writing, was introduced by Council Member __________________, seconded by Council Member ________________, and was adopted by the following roll call vote, to wit:

YEAS:	**NAYS:**	**ABSENT:**

The President thereby declared the motion carried and the resolution adopted, this the **28th** day of **April**, 2016.

(SEAL)

ATTEST: ADOPTED:

___________________________ ___________________________

CLERK OF COUNCIL **PRESIDENT**

The above and foregoing Resolution having been submitted to and approved by the Mayor, this the **28th** day of **April**, 2016.

ATTEST: APPROVED:

___________________________ ___________________________

CITY CLERK **MAYOR**

ORDINANCE NO. _________
OF THE
CITY OF HATTIESBURG, MISSISSIPPI

AN ORDINANCE AMENDING SECTION 28-13(A) & SECTION 28-13 (C) OF THE CODE OF ORDINANCES FOR THE CITY OF HATTIESBURG, BEING ORDINANCE NUMBER 1857, AS AMENDED BY ORDINANCE NUMBER 1984, ORDINANCE NUMBER 2092, ORDINANCE NUMBER 2341, ORDINANCE NUMBER 2682, ORDINANCE NUMBER 2816, ORDINANCE NUMBER 2891, ORDINANCE NUMBER 3011, ORDINANCE NUMBER 3078, AND ORDINANCE NUMBER 3110 SO AS TO ESTABLISH CHARGES FOR WATER SERVICE AND SUPPLY

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF HATTIESBURG, MISSISSIPPI:

SECTION 1. That Section 28-13 (A) And Section 28-13 (C) of the Code of Ordinances for the City of Hattiesburg, being Ordinance 1857, adopted March 24, 1976, as amended by Ordinance 1984 adopted September 26, 1979, Ordinance Number 2092 adopted October 12, 1982, Ordinance Number 2341 adopted April 2, 1990, Ordinance Number 2682 adopted March 16, 1999, Ordinance Number 2816 adopted May 20, 2003, Ordinance Number 2891 adopted December 6, 2005, Ordinance Number 3011 adopted September 2, 2008, Ordinance Number 3078 adopted October 4, 2011, and Ordinance Number 3110 adopted August 6, 2013 be and the same is hereby amended to read as follows, to-wit:

Sec. 28-13 Schedule of rates.

A. Effective May 1, 2016, the following schedule of rates is hereby ascertained, found and declared to be reasonable, and the same are established as the rates to be charged for water furnished on a quantity or meter basis, subject to minimum charges shown below:

No. Gallons Inclusive	Rate per Thousand
1,000 --100,000...	$6.27
Over 100,000...	$5.19

There shall be a monthly minimum charge to customers and consumers of twenty dollars and eighty-four cents ($20.84).

Effective September 1, 2017, the following schedule of rates is hereby ascertained, found and declared to be reasonable, and the same are established as the rates to be charged for water furnished on a quantity or meter basis, subject to minimum charges shown below:

No. Gallons Inclusive	Rate per Thousand
1,000 --100,000...	$6.71
Over 100,000...	$5.55

There shall be a monthly minimum charge to customers and consumers of twenty-two dollars and thirty-four cents ($22.34).

Effective September 1, 2018, the following schedule of rates is hereby ascertained, found and declared to be reasonable, and the same are established as the rates to be charged for water furnished on a quantity or meter basis, subject to minimum charges shown below:

No. Gallons Inclusive	Rate per Thousand
1,000 – 100,000……………………………………...	$8.39
Over 100,000………………………………………	$6.94

There shall be a monthly minimum charge to customers and consumers of twenty-seven dollars and eighty four cents (27.84).

B. No free water shall be furnished to any user.

C. Effective May 1, 2016, all private homes and residences, all trailer parks, apartment complexes and all hotels and motels shall pay a straight charge of six dollars and twenty-seven cents ($6.27) per thousand (1,000) gallons of water, with no quantity discount.

Effective September 1, 2017, all private homes and residences, all trailer parks, apartment complexes and all hotels and motels shall pay a straight charge of six dollars and seventy-one cents ($6.71) per thousand (1,000) gallons of water, with no quantity discount.

Effective September 1, 2018, all private homes and residences, all trailer parks, apartment complexes and all hotels and motels shall pay a straight charge of eight dollars and thirty-nine cents ($8.39) per thousand (1,000) gallons of water, with no quantity discount.

SECTION 2. That except as hereby expressly changed and amended, Ordinance Number 1857 adopted March 24, 1976, as amended by Ordinance 1984 adopted September 26, 1979, Ordinance Number 2092 adopted October 12, 1982, Ordinance Number 2341 adopted April 2, 1990, Ordinance Number 2682 adopted March 16, 1999, Ordinance Number 2816 adopted May 20, 2003, Ordinance Number 2891 adopted December 6, 2005, Ordinance Number 3011 adopted September 2, 2008, Ordinance Number 3078 adopted October 4, 2011, and Ordinance Number 3110 adopted August 6, 2013, shall be and does remain in full force and effect as adopted.

SECTION 3. This Ordinance shall take effect and be in force, from and after May 1, 2016.

The foregoing Ordinance having been reduced to writing, the same was introduced by Council member____________, seconded by Council member________________and was adopted by the following vote to-wit:

YEAS: NAYS:

The President thereby declared the motion carried and the Ordinance adopted, this the _______ day of _______________ A.D., 2016.

(SEAL)

ATTEST:	ADOPTED:
_______________________	_______________________
CLERK OF COUNCIL	PRESIDENT

The above and foregoing Ordinance, having been submitted to and approved by the Mayor, this the _______ day of _______________, A.D., 2016.

ATTEST:	APPROVED:
_______________________	_______________________
CITY CLERK	MAYOR

CITY OF HATTIESBURG
PROPOSED RATE ADJUSTMENTS
WATER & SEWER SYSTEM

April 22, 2016

An analysis of water and sewer revenues taken from the January 31, 2016 revenue and expenditure reports, indicates that revenues are on target with budget projections. The current ordinance sets a 10% increase in the water rate charged for Fiscal Year 2016 over Fiscal Year 2015. The current minimum monthly charge is $13.34. The sewer rate is 100% of the water rate. If a customer is billed the minimum monthly water usage, the total bill for water and sewer service is currently $26.68.

It is proposed that construction of a sewer treatment facility would encompass incurring debt in the amount of $25M initially in 2016, approximately in June, and incurring additional debt later in 2016, approximately in November, in the amount of $60M.

Since SRF funds have not been confirmed at this time, they will not be included for purposes of establising a change in the rate structure. In addition, subsequent borrowing will be dependent upon the amount of SRF funding received, so that will be excluded in the current scenario. The rate calculations will be carried forward through FY 2020, with the understanding that the ordinances may be amended again at a later date when subsequent funding for this project is confirmed.

Existing Debt	2017	2018	2019	2020
2006 $17M	1,568,356	1,570,763	1,570,900	1,572,038
2009 $7.5M	636,800	645,900	649,650	658,050
2010 $3.6M	235,031	234,574	233,931	144,011
2012 $12.5M	857,456	859,131	857,856	861,056
2013 $28M	1,247,513	1,246,013	1,243,013	1,387,763
Total	4,545,156	4,556,381	4,555,350	4,622,918
SRF #1	-	-	-	-
SRF #2	83,066	-	-	-
SRF #3	99,467	99,467	24,867	
Total	182,533	99,467	24,867	

New Debt	2017	2018	2019	2020
$25M borrowed in 2016-taxable 20 yr bonds @ 6%	1,500,000	1,500,000	2,310,000	2,603,400
$60M borrowed in 2016-taxable 30 yr bonds @ 6%		5,400,000	4,390,550	4,390,150
Total	1,500,000	6,900,000	6,700,550	6,993,550

The above schedule for new debt assumes level debt service, with capitalized interest. A rate increase will be necessary immediately inorder to accumulate funds for debt service. Based on current data, debt payments on new debt will be due in approximately 12 months on the $25M issue, and approximately 18 months on the $60M issue, for a total of $5,100,000.

For the information presented below, a growth rate of 3% will be used to estimate subsequent years' budgets for routine operating costs. Existing annual debt service requirements will be carried forward. New debt service requirements will be shown utilizing the schedules provided by Government Consultants.

Operating Fund/ Department	2016 Current Budget	2016 Proposed Budget	2017 Estimated Budget	2018 Estimated Budget	2019 Estimated Budget	2020 Estimated Budget
Customer Accts	654,356	654,356	673,986	694,206	715,032	736,483
Water Transmission	1,892,714	1,892,714	1,949,495	2,007,980	2,068,219	2,130,266
Water Plant	2,043,911	2,043,911	2,105,228	2,168,385	2,233,436	2,300,439
Sewer	2,372,626	2,372,626	2,443,804	2,517,118	2,592,632	2,670,411
Sewer Lagoon	2,837,346	2,837,346	2,922,466	3,010,140	3,100,444	3,193,457
Existing Bonded Debt(above + fees)	4,543,016	4,543,016	4,560,156	4,571,381	4,570,350	4,637,918
Existing SRF Loans	428,200	428,200	182,533	99,467	24,867	
Misc costs	44,400	44,400	45,000	45,000	45,000	45,000
Water & Sewer Construction Fund	3,608,000	2,858,000	1,500,000	1,500,000	2,000,000	2,000,000
Transfer to General Fund (Admin cost)	250,000	250,000	250,000	250,000	250,000	250,000
Additional bonded debt			1,500,000	6,900,000	6,700,550	6,993,550
Additional SRF loan debt				-	-	-
Addl cash balance needed for debt svc*		550,000	5,625,000	2,000,000	2,000,000	2,000,000
CMOM recurring operating costs			2,000,000	2,000,000	3,000,000	3,000,000
Cost of SSO projects					2,000,000	2,000,000
One-time costs for SSO spread over 3 yrs			340,000	340,000	320,000	
Cost of land leases for LAS		750,000	750,000	750,000		
Annual operating cost of LAS					4,500,000	4,500,000
Total	18,674,569	19,224,569	26,847,668	28,853,677	36,120,530	36,457,524

*For purposes of the above calculations, an additional cash balance requirement for debt service is included in the budget to account for new debt service due at the beginning of a subsequent fiscal year. A sufficient cash balance is carried to service debt maturing early in a subsequent fiscal year, and this amount must be increased whenever new debt is incurred.
There is a substantial cash balance currently in the debt service fund for existing bonded debt. The additional amount shown above relates to new debt to be issued, especially in FY 2017, because debt payments on the $85M to be borrowed in 2016 will be due in the first 6 months of FY 2017.
This amount is part of total revenue raised and is set aside in the debt service fund, and can serve toward meeting the debt service coverage requirements, when calculating net revenues to annual debt service requirements.
The goal is to provide 1.15 debt service coverage. The current required debt service coverage rate is 1.05.
The debt service coverage rate should be calculated annually to ensure that the minimum required coverage is met. If coverage is not sufficient, the rate structure in place should be evaluated and adjusted accordingly.

The current revenue budget for FY 2016, as stated earlier, appears to be on target with revenues actually collected as of January 31, 2016. The current rate structure is expected to generate $17,375,200.

For simplification, inasmuch as the relativity of revenues collected for usage above the minimum contributes to the total revenue budgeted, the new rate structure calculation required to meet additional budget requirements as shown above, will be performed using the current minimum rate.

The percent increases indicated below apply to all users, regardless of capacity consumption.

	2016	2017	2018	2019	2020
Current rate	26.68				
9%	29.08				
41%		41.00			
7.5%			44.08		
25%				55.10	
0.90%					55.60

The above rate increase schedule is a simple calculation based upon annual budget requirements. In order to equalize the revenue stream while still generating sufficient revenue to debt and operating obligations, the following rate increase schedule is suggested:

	2017	2018	2019	2020
56% increase, or $15 per month for a minimum bill user effective immediately and continuing for the FY 2017 year	41.68			
7% increase, of $3 per month for a minimum bill user effective September 1, 2017 for October 2017 billing		44.68		
25% increase, or $11 per month for a mimimum bill user effective September 1, 2018 for October 2018 billing			55.68	
No scheduled increase for FY 2020, to be evaluated in FY 2019, or sooner, as additional funding is secured				0

The substantial increases scheduled now and in FY 2019 are due to increases in debt service, and increased expenses of bringing the land application system online, respectively.

Other mandated costs with rehabilitation of stormwater runoff issues and initiation of perpetual maintenance of sewer transmission and stormwater management are included above in anticipated budget costs.

The percentage of rate increase associated with sewer treatment and sewer and stormwater rehabilitation/management are as follows:

	2017	2018	2019	2020
Land application (debt and facility operation)	80%	80%	71%	73%
SSO and CMOM	20%	20%	29%	27%

ORDINANCE NO.________
OF THE
CITY OF HATTIESBURG, MISSISSIPPI

AN ORDINANCE AMENDING CHAPTER 21-2(D)AND SECTION 21-31 OF THE CODE OF ORDINANCES FOR THE CITY OF HATTIESBURG, BEING ORDINANCE NUMBER 3167, SO AS TO ESTABLISH RATES AND CHARGES FOR SANITARY SEWER SERVICE

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF HATTIESBURG, MISSISSIPPI:

SECTION 1. That Section 21-2 (D) and Section 21-31 of the Code of Ordinances for the City of Hattiesburg, Mississippi, BEING Ordinance Number 3167 adopted September 14, 2015, be and the same is hereby amended to read as follows, to-wit:

"Section 21-2 (D):

D. Monthly rate for service.

The following schedule of rates is hereby ascertained, found and declared to be reasonable and the same are established as the rates to be charged for sanitary sewer service per month:

1. Effective May 1, 2016, all residential water users including motels, apartments and house trailers, shall be charged for sanitary sewer service at a monthly rate of One hundred percent (100%) of their monthly water charge, with the minimum sanitary sewer charge to be twenty dollars and eighty-four cents ($20.84) per month.

Effective September 1, 2017, all residential water users including motels, apartments and house trailers, shall be charged for sanitary sewer service at a monthly rate of one hundred percent (100%) of their monthly water charge, with the minimum sanitary sewer charge to be twenty-two dollars and thirty-four cents ($22.34) per month.

Effective September 1, 2018, all residential water users including motels, apartments and house trailers, shall be charged for sanitary sewer service at a monthly rate of one hundred percent (100%) of their monthly water charge, with the minimum sanitary sewer charge to be twenty-seven dollars and eighty-four cents ($27.84) per month.

2. Effective May 1, 2016, all nonresidential water users including motels, apartments and house trailers, shall be charged for sanitary sewer service at a monthly rate of one hundred percent (100%) of their monthly water charge, with the minimum sanitary sewer charge to be twenty dollars and eighty-four cents ($20.84) per month.

Effective September 1, 2017, all nonresidential water users including motels, apartments and house trailers, shall be charged for sanitary sewer service at a monthly rate of one hundred percent (100%) of their monthly water charge, with the minimum sanitary sewer charge to be twenty-two dollars and thirty-four cents ($22.34) per month.

Effective September 1, 2018, all nonresidential water users including motels, apartments and house trailers, shall be charged for sanitary sewer service at a monthly rate of one hundred percent (100%) of their monthly water charge, with the minimum sanitary sewer charge to be twenty-seven dollars and eighty-four cents ($27.84) per month.

Section 21-31:

The following sewer rate schedule shall apply to each user of the sewage system. Effective May 1, 2016, this schedule includes the user charge as established herein and the charge for debt service and recovery of other costs, each based on volume of flow.

	Debt Service	Total O & M	Total
Initial Increment	$3.26/1000 gal	$3.07/1000 gal	$6.27/1000 gal
Second Increment	$2.70/1000 gal	$2.49/1000 gal	$5.19/1000 gal

Note: Contractual sewer revenues (not based directly upon water volume) are attributed to debt service and O&M at 52% and 48%, respectively, based upon actual revenues collected.

Effective September 1, 2017, this schedule includes the user charge as established herein and the charge for debt service and recovery of other costs, each based on volume of flow.

	Debt Service	Total O & M	Total
Initial Increment	$3.62/1000 gal	$3.09/1000 gal	$6.71/1000 gal
Second Increment	$3.00/1000 gal	$2.55/1000 gal	$5.55/1000 gal

Note: Contractual sewer revenues (not based directly upon water volume) are attributed to debt service and O&M at 54% and 46%, respectively, based upon actual revenues collected.

Effective September 1, 2018, this schedule includes the user charge as established herein and the charge for debt service and recovery of other costs, each based on volume of flow.

	Debt Service	Total O & M	Total
Initial Increment	$4.53/1000 gal	$3.86/1000 gal	$8.39/1000 gal
Second Increment	$3.75/1000 gal	$3.19/1000 gal	$6.94/1000 gal

Note: Contractual sewer revenues (not based directly upon water volume) are attributed to debt service and O&M at 54% and 46%, respectively, based upon actual revenues collected.

SECTION 2. That except as hereby expressly changed and amended, Ordinance Number 3167 adopted September 14,2015, shall be and does remain in full force and effect as adopted.

SECTION 3. This Ordinance shall take effect and be in force, from and after May 1, 2016.

The foregoing Ordinance having been reduced to writing, the same was introduced by Council member______________, seconded by Council member_____________ and was adopted by the following vote, to-wit:

YEAS: NAYS:

The President thereby declared the motion carried and the Ordinance adopted, this the ____ day of ____________, A.D., 2016.

(SEAL)

ATTEST: ADOPTED:

_______________________ _________________________

CLERK OF COUNCIL PRESIDENT

The above and foregoing Ordinance, having been submitted to and approved by the Mayor, this the _____ day of _____________, A.D., 2016.

ATTEST: APPROVED:

_______________________ _____________________

CITY CLERK MAYOR

RESOLUTION APPROVING THE SALE BY THE MISSISSIPPI DEVELOPMENT BANK OF ITS TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016 (HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT) IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TWENTY FIVE MILLION DOLLARS ($25,000,000); AND FOR RELATED PURPOSES.

WHEREAS, the Mayor and City Council of the City of Hattiesburg, Mississippi (the "Governing Body" of the "City"), acting for and on behalf of the City, hereby finds, determines, adjudicates and declares as follows:

1. The City is authorized under the provisions of Sections 21-27-23 and 21-27-41 through 21-27-69, Mississippi Code of 1972, as amended from time to time (the "Bond Act") and Sections 31-25-1 et seq., Mississippi Code of 1972, as amended from time to time (the "Bank Act" and together with the Bond Act, the "Act"), to borrow in such amounts from the Mississippi Development Bank (the "Bank") as it may find necessary and proper in order to provide funds for (i) repairing, improving and extending the combined water and sewer system of the City (the "System") which repairs, improvements, and extensions are to be done substantially in accordance with plans and specifications prepared by engineers employed by the City and approved by the Governing Body (the "Construction Project"); (ii) other authorized purposes under the Act, including funding a debt service reserve fund for the Series 2016 Bonds (as hereinafter defined), if applicable; and (iii) paying the costs of issuance for the Series 2016 Bonds and the Note (as hereinafter defined) (together, the "Project").

2. On January 19, 2016, the Governing Body of the City adopted a resolution (the "Sales Parameter Resolution") wherein the Governing Body authorized and approved (a) the City to borrow money by entering into a loan (the "Loan") with the Bank secured by the not to exceed $25,000,000 Taxable Promissory Note (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project), to be dated the date of delivery thereof (the "Note") pursuant to the Act to provide funds for the Project; (b) the issuance of not to exceed $25,000,000 Mississippi Development Bank Taxable Special Obligation Bonds, Series 2016 (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project), to be dated the date of delivery thereof (the "Series 2016 Bonds") of the Bank for the purpose of making the Loan to the City; (c) Butler Snow LLP, Ridgeland, Mississippi, as Bond Counsel ("Bond Counsel") and Government Consultants, Inc., Jackson, Mississippi, as Municipal Advisor ("Municipal Advisor") to solicit proposals and/or negotiate for the sale of the Series 2016 Bonds to a to be determined purchaser (the "Original Purchaser"); (d) the form of and execution of, as applicable, the Bond Purchase Agreement (the "Bond Purchase Agreement") and/or Official Form of Proposal (the "Official Proposal") for the sale of the Series 2016 Bonds to the Original Purchaser, the Loan Agreement, to be dated the date of delivery thereof, between the Bank and the City (the "Loan Agreement"), the Note, the Indenture of Trust, to be dated the date of delivery of the Series 2016 Bonds, by and between the Bank and a to be determined trustee (the "Trustee") (the "Indenture") and the payment of costs of issuance expenses for the Series 2016 Bonds and the Note; and (e) for other related matters.

3. The Municipal Advisor solicited proposals to be received up to and until the hour of 11:00 a.m. on April 26, 2016, by, and at the office of, the Municipal Advisor. At said time and place two (2) proposals for the purchase of the Series 2016 Bonds were received and examined, said bids having heretofore been presented and attached hereto as **EXHIBIT A.**

4. Upon receiving the recommendation of the Municipal Advisor to the City, the Governing Body does now find, determine and adjudicate that the best bid made and offered for the sale of the Series 2016 Bonds was made by Regions Commercial Equipment Finance, LLC (the "Winning Proposal").

5. The Governing Body approves the Winning Proposal for the sale of the Series 2016 Bonds to Regions Commercial Equipment Finance, LLC (the "Original Purchaser"), and authorizes the Mayor and/or the City Clerk and/or the President and/or the Vice President of the City Council to execute the Winning Proposal attached hereto as **EXHIBIT B.**

6. The Governing Body desires to approve the form of and execution of the Bond Purchase Agreement in substantially the form attached hereto as **EXHIBIT C.** The Governing Body authorizes the Mayor and/or the City Clerk and/or the President and/or the Vice President of the City Council to execute the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval.

7. The Governing Body desires to authorize and direct the Mayor and/or the City Clerk and/or the President and/or the Vice President of the City Council to take any and all such action as may be required by the City to carry out and to give effect to the aforesaid documents authorized pursuant to this resolution and the Sales Parameter Resolution and to execute all papers, documents, certificates and other instruments that may be required for the sale, issuance, validation and delivery of the Series 2016 Bonds and the Note.

8. The Governing Body desires to appoint Regions Bank to serve as Trustee under the Indenture.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY AS FOLLOWS:

SECTION 1. The Series 2016 Bonds are hereby awarded and sold to Regions Commercial Equipment Finance, LLC as Original Purchaser, in accordance with the Winning Proposal, attached hereto as **EXHIBIT B**.

SECTION 2. The Governing Body hereby authorizes the Mayor and/or the City Clerk and/or the President and/or the Vice President of the City Council to execute the Winning Proposal, acting for and on behalf of the Governing Body, for the sale of the Series 2016 Bonds to the Original Purchaser.

SECTION 3. The Governing Body approves the form of and execution of the Bond Purchase Agreement in substantially the form attached hereto as **EXHIBIT C.** The Governing Body authorizes the Mayor and/or the City Clerk and/or the President and/or the Vice President of the City Council to execute the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval.

SECTION 4. The Governing Body hereby appoints Regions Bank to serve as Trustee under the Indenture.

SECTION 5. The Governing Body hereby authorizes the Mayor and/or the City Clerk and/or the President and/or the Vice President of the City Council to execute the Loan Agreement, the Indenture, the Note, the Bond Purchase Agreement, the Official Proposal, any requisitions to authorize the Trustee to pay on the closing date of the Series 2016 Bonds the costs of issuance of said Series 2016 Bonds and the Note (provided, however, total costs of issuance for said Series 2016 Bonds and the Note shall not exceed 5% of the par amount of the Series 2016 Bonds) and to take any and all such action as may be required by the City to carry out and to give effect to the aforesaid documents authorized pursuant to this resolution and the Sales Parameter Resolution and to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this resolution and the Sales Parameter Resolution in order to evidence said authority, including the approval of the final Official Proposal, the Bond Purchase Agreement, the Indenture, the Loan Agreement and the Note for the sale of the Series 2016 Bonds, including the date of sale, the dated date of the Series 2016 Bonds, the final principal amount of the Series 2016 Bonds, the maturity schedule relating to the Series 2016 Bonds, the redemption terms of the Series 2016 Bonds and any other terms thereof in connection with the Series 2016 Bonds, including any closing documents in connection with the Series 2016 Bonds.

SECTION 6. All orders, resolutions or proceedings of this Governing Body in conflict with the provisions of this resolution shall be and are hereby repealed, rescinded and set aside, but only to the extent of such conflict.

SECTION 7. For cause, this resolution shall become effective immediately upon the adoption thereof.

The above and foregoing resolution, after having been first reduced to writing, was introduced by Council Member ________________, seconded by Council Member ________________ and the question being put to a roll call vote, the result was as follows:

YEAS: **NAYS:** **ABSENT:**

The President thereby declared the motion carried and the resolution adopted this the 28th day of April, 2016.

(SEAL)

ATTEST: **ADOPTED:**

CLERK OF COUNCIL **PRESIDENT**

The above and foregoing resolution having been submitted to and approved by the Mayor, this the 28th day of April, 2016.

ATTEST: **APPROVED:**

CITY CLERK **MAYOR**

EXHIBIT A

BIDS RECEIVED

OFFICIAL FORM OF PROPOSAL
$25,000,000
MISSISSIPPI DEVELOPMENT BANK
TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016
(HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT)

April 26, 2016

Board of Directors
Mississippi Development Bank
735 Riverside Drive, Suite 300
Jackson, Mississippi 39202

Ladies and Gentlemen:

The undersigned hereby offers to purchase all, but not less than all, of the $25,000,000 aggregate principal amount of the Taxable Special Obligation Bonds, Series 2016 (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project) of the Mississippi Development Bank (the "Bank"), to be dated the date of delivery thereof (the "Series 2016 Bonds") described below.

We offer to purchase the Series 2016 Bonds at a price, not less than par, of Twenty Five Million Dollars ($25,000,000). Payments of interest only at a rate of **2.33** percent (**2.33%**) shall be made on the first and second anniversary date of the Series 2016 Bonds. Equal amortized installment of principal and interest shall be payable to the registered owner of the Series 2016 Bonds each year on the anniversary date[1] of the Series 2016 Bonds, beginning three (3) years from the date of the Series 2016 Bonds and continuing through the **fifth** (5th) year after the date of the Series 2016 Bonds. The Series 2016 Bonds shall be payable, both as to principal and interest, in lawful money of the United States of America. The Series 2016 Bonds shall be issuable as fully registered Series 2016 Bonds shall be issuable as fully registered bonds in the denomination of $1.00 or any integral multiple thereof. The Series 2016 Bonds shall be numbered from 1 upward.

The Series 2016 Bonds are subject to optional redemption prior to their stated date of maturity in whole or in part, in principal amounts and maturities as selected by the Bank on any date at par, plus accrued interest to the date of redemption thereof.

The proposal will be submitted to Government Consultants Inc., Attention: Lynn Norris at the office of 1830 Crane Ridge Drive, Jackson, Mississippi 39216, (601) 982-0005, gcms@gc-ms.net, on or before 10:00 o'clock a.m. on March 17, 2016, pursuant to authority granted by and subject to the terms and provisions of a resolution adopted on January 13, 2016 by the Board of Directors of the Bank (the "Bank Resolution")

[1] It is anticipated that the closing date for the Bonds will be April 21, 2016.

BIDDER: Regions Commercial Equipment Finance
BY: Frances McCarty
TITLE: Asst. Vice President

SIGNATURE PAGE FOR OFFICIAL FORM OF PROPOSAL $25,000,000 MISSISSIPPI DEVELOPMENT BANK TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016 (HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT).

STATEMENT OF
ACCEPTANCE BY THE BANK

The above proposal is accepted by the Executive Director and Secretary of the Mississippi Development Bank, pursuant to authority granted by the Bank Resolution.

MISSISSIPPI DEVELOPMENT BANK

(SEAL) **BY:** ______________________________
Executive Director

ATTESTED:

By: ______________________________
Secretary

SIGNATURE PAGE FOR OFFICIAL FORM OF PROPOSAL $25,000,000 MISSISSIPPI DEVELOPMENT BANK TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016 (HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT).

APPROVAL OF THE CITY

The above proposal is accepted by the City of Hattiesburg, Mississippi, pursuant to the City Resolution, acting for and on behalf of the City.

CITY OF HATTIESBURG, MISSISSIPPI

(SEAL)

BY: ___________________________________

Authorized Officer

SIGNATURE PAGE FOR OFFICIAL FORM OF PROPOSAL $25,000,000 MISSISSIPPI DEVELOPMENT BANK TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016 (HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT).

REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC

April 26, 2016

Re: Up to $25,000,000 Taxable Special Obligation Bonds, Series 2016 (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project) to be evidenced by a promissory note, bond or other debt instrument (the "Debt Instrument")

Dear Mr. Norris:

Regions Commercial Equipment Finance, LLC (the **"Lender or Purchaser"**) is pleased to furnish this Term Sheet (this **"Term Sheet"**) to City of Hattiesburg, Mississippi (the **"Conduit Borrower"**) and to Mississippi Development Bank (the **"Bank"** and the **"Issuer"**). The economics of our Term Sheet is specifically based upon the following general provisions and assumptions set forth below:

Conduit Borrower: City of Hattiesburg, Mississippi

Lender/Purchaser: Regions Commercial Equipment Finance, LLC

Role of Purchaser: The Purchaser and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Term Sheet and any other information, materials or communications provided by the Purchaser: (a) the Purchaser and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Purchaser and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Term Sheet, information, materials or communications; (c) the Purchaser and its representatives are acting for their own interests; and (d) the Borrower has been informed that the Borrower should discuss this Term Sheet and any such other information, materials or communications with any and all internal and external advisors and experts that the Borrower deems appropriate before acting on this Term Sheet or any such other information, materials or communications.

Privately Negotiated Loan: The Borrower acknowledges and agrees that the Lender is purchasing the Debt Instrument as evidence of the Loan and in that connection the Debt Instrument shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depositary Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service. The Lender may require the documents evidencing the loan (the "Loan Documents") contain provisions making clear that the Lender is purchasing the

Debt Instrument as evidence of the Loan and not as an investment.

Obligor: City of Hattiesburg, Mississippi

Purpose: The proceeds of the Loan will be used to provide funds for a loan to the City, pursuant to a Loan Agreement between the Bank and the City, secured by a not to exceed $25,000,000 Taxable Promissory Note (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project), to provide funds to the City for (i) repairing, improving and extending the combined water and sewer system of the City ("the System"), which repairs, improvements and extensions are to be done substantially in accordance with plans and specification prepared by engineers employed by the City and approved by the City Council ("the Construction Project"); (ii) other authorized purposes under Mississippi Code Sections 31-25-1 et seq., as amended and/or supplemented from time to time and/or Sections 21-27-23 and 21-27-41 through 21-27-69, as amended and/or supplemented from time to time, as applicable, including funding a debt service reserve fund for the Series 2016 Bonds, if applicable; and (iii) paying the costs of issuance for the Series 2016 Bonds and the Series 2016 Note.

Loan Amount: Up to $25,000,000

Structure: Taxable Term Loan evidenced by the Debt Instrument

Interest Rate: The rate outlined in this Term Sheet is based on market funding rates as of April 26, 2016, and is **2.33%**, fixed.

The rate provided assumes a closing date on May 30, 2016. Should closing not occur on this date the rate may be subject to change thereafter.

Term: Sixty (60) months.

Repayment: Payments of interest only will be made on the first and second anniversary date of the Series 2016 Bonds. Principal and interest (based on a twenty (20) year amortization schedule) will be payable each year on the anniversary date of the Series 2016 Bonds, beginning three years from the date of the Series 2016 Bonds and continue thereafter until the final maturity date of the Series 2016 Bonds of sixty (60) months after the date of issuance. All payments of interest and principal as well as the maturity date must be on the same calendar day of the month.

Prepayment: The Borrower may prepay all or any part of the principal balance of the Loan on the Principal payment date with five business days' notice. The Borrower's notice of its intent to prepay shall be irrevocable. All partial redemptions of principal shall be applied in the inverse order of principal payments or redemptions.

Other Fees, Costs and Expenses: The Issuer will be responsible for all costs related to this financing including, but not limited to Bond Counsel, Trustee Counsel and Borrower's Counsel fees/expenses. Final costs will be based on actual fees and expenses for services rendered by the providers.

Security: The Series 2016 Bonds will be special obligations of Mississippi Development Bank ("the Bank") payable solely by the Bank from the Revenues (as defined in the Indenture) and other funds of the Bank pledged under the Indenture, which Revenues and funds include payments on the Series 2016 Note and payments under the Loan Agreement. The principal and interest on the Series 2016 Note and other amounts due under the Loan Agreement will be payable solely from Net Revenues of the System, on a parity with the Parity Debt.

Defaults: Usual and customary for this type of financing.

Remedies: The Lender shall have all of the rights and remedies set forth in the Loan Documents, and available at law and in equity, for the enforcement thereof.

Legal Opinions: As an additional condition precedent to the Lender making the Loan, the Borrower shall provide, among other things, the following opinions to the Lender:

(i) an opinion of bond counsel in form and substance satisfactory to the Lender and its counsel in all respects, which shall include opinions to the effect that (a) the Borrower has the authority under the laws of the State of Mississippi to issue the Debt Instrument and execute and deliver the Loan Documents, (b) that the Debt Instrument has been duly issued and each of the Debt Instrument and the other Loan Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower, (c) that the each of the Debt Instrument and the other Loan Documents to which the Borrower is a party is a valid and binding obligation of the Borrower, duly enforceable in accordance with its terms.

EMMA Posting: The Borrower shall not file or submit, or permit the filing or submission, of all or any portion of any Loan Document with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (or any successor continuing disclosure vehicle) unless such Loan Document or portion thereof, as applicable, to be so filed or submitted (i) has been submitted to the Lender in advance of such filing or submission and (ii) shall have been redacted to the extent required by the Lender.

Disclaimer: This Term Sheet describes some of the basic terms and conditions proposed to be included in the documents between the Lender and the Borrower. This Term Sheet does not purport to summarize all the conditions, covenants, representations, warranties, assignments, events of default, cross default, acceleration events, remedies or other provisions that may be contained in documents required to consummate this financing.

Confidentiality: The Borrower acknowledges and agrees that this Term Sheet and the information set forth herein is confidential and proprietary, and further agrees to keep this Term Sheet and the information set forth herein **CONFIDENTIAL**. The Borrower shall not disclose this Term Sheet or any of its material terms to anyone, without the prior written consent of the Lender in each instance, except as such disclosure is required by law or regulation or as a result of any legal or administrative procedure.

Waiver of Jury Trial: To the extent permitted by applicable law, each of the Borrower and the Lender irrevocably and voluntarily waives any right it may have to a trial by jury with respect to any controversy or claim between the Borrower and the Lender, whether arising in contract or tort or by statute, including but not limited to any controversy or claim that arises out of or relates to this Term Sheet, the Debt Instrument or any of the other Loan Documents. This provision is a material inducement for the Lender's determination to make the Loan and for the parties to enter into the Loan Documents.

Governing Law: State of Mississippi.

Thank you for providing the Lender with this opportunity to be involved in a financial partnership with the Borrower. The Lender is willing to discuss the terms reflected herein through May 6, 2016. After such date, terms, conditions and pricing may change based on prevailing market conditions and further discussion will be at Lender's sole discretion. We are grateful for your consideration and remain available to promptly respond to any questions that you may have regarding this document. We look forward to hearing from you.

Sincerely,

Frances McCarty

Frances McCarty
Assistant Vice President
On behalf of Regions Commercial Equipment Finance, LLC by express authority

TERM SHEET ACCEPTED:

Signed and accepted on this ____ day of ____________, 2016.

City of Hattiesburg, Mississippi

By: ____________________________

Name: ____________________________

Title: ____________________________

OFFICIAL FORM OF PROPOSAL
$25,000,000
MISSISSIPPI DEVELOPMENT BANK
TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016
(HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT)

April 26, 2016

Board of Directors
Mississippi Development Bank
735 Riverside Drive, Suite 300
Jackson, Mississippi 39202

Ladies and Gentlemen:

The undersigned hereby offers to purchase all, but not less than all, of the $25,000,000 aggregate principal amount of the Taxable Special Obligation Bonds, Series 2016 (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project) of the Mississippi Development Bank (the "Bank"), to be dated the date of delivery thereof (the "Series 2016 Bonds") described below.

SEE ATTACHED Exhibit A

We offer to purchase the Series 2016 Bonds at a price, not less than par, of [illegible]. Payments of interest only at a rate of FIVE & one-quarter percent (5.25%) shall be made on the first and second anniversary date of the Series 2016 Bonds. Equal amortized installment of principal and interest shall be payable to the registered owner of the Series 2016 Bonds each year on the anniversary date[1] of the Series 2016 Bonds, beginning three (3) years from the date of the Series 2016 Bonds and continuing through the 20th year after the date of the Series 2016 Bonds. The Series 2016 Bonds shall be payable, both as to principal and interest, in lawful money of the United States of America. The Series 2016 Bonds shall be issuable as fully registered Series 2016 Bonds shall be issuable as fully registered bonds in the denomination of $1.00 or any integral multiple thereof. The Series 2016 Bonds shall be numbered from 1 upward.

The Series 2016 Bonds are subject to optional redemption prior to their stated date of maturity in whole or in part, in principal amounts and maturities as selected by the Bank on any date at par, plus accrued interest to the date of redemption thereof.

The proposal will be submitted to Government Consultants Inc., Attention: Lynn Norris at the office of 1830 Crane Ridge Drive, Jackson, Mississippi 39216, (601) 982-0005, gcms@gc-ms.net, on or before 10:00 o'clock a.m. on March 17, 2016, pursuant to authority granted by and

[1] It is anticipated that the closing date for the Bonds will be April 21, 2016.

subject to the terms and provisions of a resolution adopted on January 13, 2016 by the Board of Directors of the Bank (the "Bank Resolution").

BIDDER: TRUSTMARK BANK
BY: - JOHN COOPER
TITLE: VICE PRESIDENT

STATEMENT OF
ACCEPTANCE BY THE BANK

The above proposal is accepted by the Executive Director and Secretary of the Mississippi Development Bank, pursuant to authority granted by the Bank Resolution.

MISSISSIPPI DEVELOPMENT BANK

(SEAL)

BY: ______________________________
Executive Director

ATTESTED:

By: ______________________________
Secretary

SIGNATURE PAGE FOR OFFICIAL FORM OF PROPOSAL $25,000,000 MISSISSIPPI DEVELOPMENT BANK TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016 (HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT), DATED ______, 2016.

APPROVAL OF THE CITY

The above proposal is accepted by the Mayor and the City Clerk of the City of Hattiesburg, Mississippi, pursuant to the City Resolution, acting for and on behalf of the City.

CITY OF HATTIESBURG, MISSISSIPPI

(SEAL)

BY: ______________________________
Mayor

ATTESTED:

BY: ______________________
City Clerk

SIGNATURE PAGE FOR OFFICIAL FORM OF PROPOSAL $25,000,000 MISSISSIPPI DEVELOPMENT BANK TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016 (HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT), DATED ______, 2016.
ButlerSnow 26367250v1

EXHIBIT A TO
OFFICIAL FORM OF PROPOSAL
$25,000,000
MISSISSIPPI DEVELOPMENT BANK
TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016
(HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT)

Trustmark Bank will offer terms for the above referenced bonds with the following contingencies.

1. Trustmark Bank will agree to purchase $7,500,000 of the overall $25,000,000 Series 2016 Bonds.
2. Payments of interest only at a rate of **Five and One Quarter percent (5.25%)** shall be made on the first and second anniversary date of the Series 2016 Bonds. Equal amortized installment of principal and interest shall be payable to the registered owners of the Series 2016 Bonds each year on the anniversary date of the Series 2016 Bonds, beginning three (3) years from the date of the Series 2016 Bonds and continuing through the **twentieth (20th)** year after the date of the Series 2016 Bonds.
3. A settlement to the lawsuit between Groundworx, LLC and the City of Hattiesburg must be agreed and finalized prior to the funding of the Series 2016 Bonds. The settlement must be paid with the initial funding or the agreed settlement amount must be held in reserve by the Trustee.
4. Hattiesburg City Council must pass a Rate Ordinance which will provide revenues sufficient to provide for 105% of debt service.

Trustmark Bank

6/26/16

John Cooper
Vice President

EXHIBIT B

WINNING PROPOSAL

OFFICIAL FORM OF PROPOSAL
$25,000,000
MISSISSIPPI DEVELOPMENT BANK
TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016
(HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT)

April 26, 2016

Board of Directors
Mississippi Development Bank
735 Riverside Drive, Suite 300
Jackson, Mississippi 39202

Ladies and Gentlemen:

The undersigned hereby offers to purchase all, but not less than all, of the $25,000,000 aggregate principal amount of the Taxable Special Obligation Bonds, Series 2016 (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project) of the Mississippi Development Bank (the "Bank"), to be dated the date of delivery thereof (the "Series 2016 Bonds") described below.

We offer to purchase the Series 2016 Bonds at a price, not less than par, of Twenty Five Million Dollars ($25,000,000). Payments of interest only at a rate of **2.33** percent (**2.33**%) shall be made on the first and second anniversary date of the Series 2016 Bonds. Equal amortized installment of principal and interest shall be payable to the registered owner of the Series 2016 Bonds each year on the anniversary date[1] of the Series 2016 Bonds, beginning three (3) years from the date of the Series 2016 Bonds and continuing through the **fifth** (5th) year after the date of the Series 2016 Bonds. The Series 2016 Bonds shall be payable, both as to principal and interest, in lawful money of the United States of America. The Series 2016 Bonds shall be issuable as fully registered Series 2016 Bonds shall be issuable as fully registered bonds in the denomination of $1.00 or any integral multiple thereof. The Series 2016 Bonds shall be numbered from 1 upward.

The Series 2016 Bonds are subject to optional redemption prior to their stated date of maturity in whole or in part, in principal amounts and maturities as selected by the Bank on any date at par, plus accrued interest to the date of redemption thereof.

The proposal will be submitted to Government Consultants Inc., Attention: Lynn Norris at the office of 1830 Crane Ridge Drive, Jackson, Mississippi 39216, (601) 982-0005, gcms@gc-ms.net, on or before 10:00 o'clock a.m. on March 17, 2016, pursuant to authority granted by and subject to the terms and provisions of a resolution adopted on January 13, 2016 by the Board of Directors of the Bank (the "Bank Resolution")

[1] It is anticipated that the closing date for the Bonds will be April 21, 2016.

BIDDER: Regions Commercial Equipment Finance
BY: Francis McCarty
TITLE: Asst. Vice President

SIGNATURE PAGE FOR OFFICIAL FORM OF PROPOSAL $25,000,000 MISSISSIPPI DEVELOPMENT BANK TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016 (HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT).

STATEMENT OF
ACCEPTANCE BY THE BANK

The above proposal is accepted by the Executive Director and Secretary of the Mississippi Development Bank, pursuant to authority granted by the Bank Resolution.

MISSISSIPPI DEVELOPMENT BANK

(SEAL)

BY: ______________________________
Executive Director

ATTESTED:

By: ______________________________
Secretary

SIGNATURE PAGE FOR OFFICIAL FORM OF PROPOSAL $25,000,000 MISSISSIPPI DEVELOPMENT BANK TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016 (HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT).

APPROVAL OF THE CITY

The above proposal is accepted by the City of Hattiesburg, Mississippi, pursuant to the City Resolution, acting for and on behalf of the City.

CITY OF HATTIESBURG, MISSISSIPPI

(SEAL)

BY: ____________________________________

Authorized Officer

SIGNATURE PAGE FOR OFFICIAL FORM OF PROPOSAL $25,000,000 MISSISSIPPI DEVELOPMENT BANK TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016 (HATTIESBURG, MISSISSIPPI COMBINED WATER AND SEWER SYSTEM CONSTRUCTION PROJECT).

REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC

April 26, 2016

Re: Up to $25,000,000 Taxable Special Obligation Bonds, Series 2016 (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project) to be evidenced by a promissory note, bond or other debt instrument (the "Debt Instrument")

Dear Mr. Norris:

Regions Commercial Equipment Finance, LLC (the **"Lender or Purchaser"**) is pleased to furnish this Term Sheet (this **"Term Sheet"**) to City of Hattiesburg, Mississippi (the **"Conduit Borrower"**) and to Mississippi Development Bank (the **"Bank"** and the **"Issuer"**). The economics of our Term Sheet is specifically based upon the following general provisions and assumptions set forth below:

Conduit Borrower: City of Hattiesburg, Mississippi

Lender/Purchaser: Regions Commercial Equipment Finance, LLC

Role of Purchaser: The Purchaser and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Term Sheet and any other information, materials or communications provided by the Purchaser: (a) the Purchaser and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Purchaser and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Term Sheet, information, materials or communications; (c) the Purchaser and its representatives are acting for their own interests; and (d) the Borrower has been informed that the Borrower should discuss this Term Sheet and any such other information, materials or communications with any and all internal and external advisors and experts that the Borrower deems appropriate before acting on this Term Sheet or any such other information, materials or communications.

Privately Negotiated Loan: The Borrower acknowledges and agrees that the Lender is purchasing the Debt Instrument as evidence of the Loan and in that connection the Debt Instrument shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depositary Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service. The Lender may require the documents evidencing the loan (the "Loan Documents") contain provisions making clear that the Lender is purchasing the

Debt Instrument as evidence of the Loan and not as an investment.

Obligor: City of Hattiesburg, Mississippi

Purpose: The proceeds of the Loan will be used to provide funds for a loan to the City, pursuant to a Loan Agreement between the Bank and the City, secured by a not to exceed $25,000,000 Taxable Promissory Note (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project), to provide funds to the City for (i) repairing, improving and extending the combined water and sewer system of the City ("the System"), which repairs, improvements and extensions are to be done substantially in accordance with plans and specification prepared by engineers employed by the City and approved by the City Council ("the Construction Project"); (ii) other authorized purposes under Mississippi Code Sections 31-25-1 et seq., as amended and/or supplemented from time to time and/or Sections 21-27-23 and 21-27-41 through 21-27-69, as amended and/or supplemented from time to time, as applicable, including funding a debt service reserve fund for the Series 2016 Bonds, if applicable; and (iii) paying the costs of issuance for the Series 2016 Bonds and the Series 2016 Note.

Loan Amount: Up to $25,000,000

Structure: Taxable Term Loan evidenced by the Debt Instrument

Interest Rate: The rate outlined in this Term Sheet is based on market funding rates as of April 26, 2016, and is **2.33%**, fixed.

The rate provided assumes a closing date on May 30, 2016. Should closing not occur on this date the rate may be subject to change thereafter.

Term: Sixty (60) months.

Repayment: Payments of interest only will be made on the first and second anniversary date of the Series 2016 Bonds. Principal and interest (based on a twenty (20) year amortization schedule) will be payable each year on the anniversary date of the Series 2016 Bonds, beginning three years from the date of the Series 2016 Bonds and continue thereafter until the final maturity date of the Series 2016 Bonds of sixty (60) months after the date of issuance. All payments of interest and principal as well as the maturity date must be on the same calendar day of the month.

Prepayment: The Borrower may prepay all or any part of the principal balance of the Loan on the Principal payment date with five business days' notice. The Borrower's notice of its intent to prepay shall be irrevocable. All partial redemptions of principal shall be applied in the inverse order of principal payments or redemptions.

Other Fees, Costs and Expenses: The Issuer will be responsible for all costs related to this financing including, but not limited to Bond Counsel, Trustee Counsel and Borrower's Counsel fees/expenses. Final costs will be based on actual fees and expenses for services rendered by the providers.

Security: The Series 2016 Bonds will be special obligations of Mississippi Development Bank ("the Bank") payable solely by the Bank from the Revenues (as defined in the Indenture) and other funds of the Bank pledged under the Indenture, which Revenues and funds include payments on the Series 2016 Note and payments under the Loan Agreement. The principal and interest on the Series 2016 Note and other amounts due under the Loan Agreement will be payable solely from Net Revenues of the System, on a parity with the Parity Debt.

Defaults: Usual and customary for this type of financing.

Remedies: The Lender shall have all of the rights and remedies set forth in the Loan Documents, and available at law and in equity, for the enforcement thereof.

Legal Opinions: As an additional condition precedent to the Lender making the Loan, the Borrower shall provide, among other things, the following opinions to the Lender:

(i) an opinion of bond counsel in form and substance satisfactory to the Lender and its counsel in all respects, which shall include opinions to the effect that (a) the Borrower has the authority under the laws of the State of Mississippi to issue the Debt Instrument and execute and deliver the Loan Documents, (b) that the Debt Instrument has been duly issued and each of the Debt Instrument and the other Loan Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower, (c) that the each of the Debt Instrument and the other Loan Documents to which the Borrower is a party is a valid and binding obligation of the Borrower, duly enforceable in accordance with its terms.

EMMA Posting: The Borrower shall not file or submit, or permit the filing or submission, of all or any portion of any Loan Document with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (or any successor continuing disclosure vehicle) unless such Loan Document or portion thereof, as applicable, to be so filed or submitted (i) has been submitted to the Lender in advance of such filing or submission and (ii) shall have been redacted to the extent required by the Lender.

Disclaimer: This Term Sheet describes some of the basic terms and conditions proposed to be included in the documents between the Lender and the Borrower. This Term Sheet does not purport to summarize all the conditions, covenants, representations, warranties, assignments, events of default, cross default, acceleration events, remedies or other provisions that may be contained in documents required to consummate this financing.

Confidentiality: The Borrower acknowledges and agrees that this Term Sheet and the information set forth herein is confidential and proprietary, and further agrees to keep this Term Sheet and the information set forth herein **CONFIDENTIAL.** The Borrower shall not disclose this Term Sheet or any of its material terms to anyone, without the prior written consent of the Lender in each instance, except as such disclosure is required by law or regulation or as a result of any legal or administrative procedure.

Waiver of Jury Trial: To the extent permitted by applicable law, each of the Borrower and the Lender irrevocably and voluntarily waives any right it may have to a trial by jury with respect to any controversy or claim between the Borrower and the Lender, whether arising in contract or tort or by statute, including but not limited to any controversy or claim that arises out of or relates to this Term Sheet, the Debt Instrument or any of the other Loan Documents. This provision is a material inducement for the Lender's determination to make the Loan and for the parties to enter into the Loan Documents.

Governing Law: State of Mississippi.

Thank you for providing the Lender with this opportunity to be involved in a financial partnership with the Borrower. The Lender is willing to discuss the terms reflected herein through May 6, 2016. After such date, terms, conditions and pricing may change based on prevailing market conditions and further discussion will be at Lender's sole discretion. We are grateful for your consideration and remain available to promptly respond to any questions that you may have regarding this document. We look forward to hearing from you.

Sincerely,

Frances McCarty

Frances McCarty
Assistant Vice President
On behalf of Regions Commercial Equipment Finance, LLC by express authority

TERM SHEET ACCEPTED:

Signed and accepted on this ____ day of ____________, 2016.

City of Hattiesburg, Mississippi

By: ______________________________

Name: ______________________________

Title: ______________________________

EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

$25,000,000
MISSISSIPPI DEVELOPMENT BANK
TAXABLE SPECIAL OBLIGATION BONDS, SERIES 2016
(HATTIESBURG, MISSISSIPPI COMBINED
WATER AND SEWER SYSTEM CONSTRUCTION PROJECT)

BOND PURCHASE AGREEMENT

April 28, 2016

Attention: Executive Director
Mississippi Development Bank
735 Riverside Drive, Suite 300
Jackson, Mississippi 39202

Ladies and Gentlemen:

The undersigned Regions Commercial Equipment Finance, LLC (the "Purchaser"), offers to enter into the following agreement with the Mississippi Development Bank (the "Bank") and the City of Hattiesburg, Mississippi (the "City") which, upon your acceptance of this offer as evidenced by your execution hereof, will be in full force and effect in accordance with its terms and binding upon you, the Purchaser and the City.

This offer is made subject to acceptance by you of this agreement on or before 5:00 o'clock P.M., Central Daylight Savings Time on April 29, 2016. Unless otherwise provided, the terms used in this Bond Purchase Agreement shall have the meanings set forth in the form of the Indenture of Trust to be dated as of the date of delivery of the Series 2016 Bonds, as hereinafter defined (the "Indenture "), by and between the Bank and Regions Bank (the "Trustee"), as previously approved by the Bank.

1. Upon the terms and conditions and upon the basis of the representations, warranties and covenants hereinafter set forth, the Purchaser hereby agrees to purchase from the Bank for offering to the public, and the Bank hereby agrees to sell to the Purchaser for such purpose, all (but not less than all) of the $25,000,000 aggregate principal amount of the Bank's Taxable Special Obligation Bonds, Series 2016 (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project) (the "Series 2016 Bonds"), at the purchase price of $25,000,000. The Series 2016 Bonds will be limited obligations of the Bank and will be issued under and pursuant to, and are to be secured by, the Indenture. The Series 2016 Bonds shall mature on the date or dates as stated, shall bear interest, at the rate or rates as stated, shall be redeemable prior to maturity and shall have the other terms and provisions as stated in the Indenture.

2. The Bank represents that it has, or agrees to: authorize, execute and deliver the Indenture, this Bond Purchase Agreement and the Loan Agreement, to be dated as of the delivery date of the Series 2016 Bonds, between the City and the Bank (the "Loan Agreement"), which is secured by the City's $25,000,000 Taxable Promissory Note (Hattiesburg, Mississippi Combined

Water and Sewer System Construction Project) (the "Series 2016 Note"), and which is to be executed by the City and assigned by the Bank to the Trustee, prior to the Closing Date with only such changes therein from the forms thereof on the date hereof as are approved by the Purchaser, the Closing in all events to be deemed such approval.

The City has authorized and agrees to execute and deliver the Loan Agreement, the Series 2016 Note and this Bond Purchase Agreement.

3. The Bank hereby represents and warrants to and covenants with the Purchaser that:

(a) The Bank is and will be as of the date of the Closing a public body corporate and politic of the State of Mississippi.

(b) The Bank is and will be as of the date of Closing authorized under the laws of the State of Mississippi, including particularly the Act to: (i) adopt such resolutions as are necessary to approve the issuance of the Series 2016 Bonds; (ii) issue the Series 2016 Bonds for the purposes described in the Loan Agreement and the Indenture; (iii) lend the proceeds of the Series 2016 Bonds to the City for the purposes set forth in the Loan Agreement and the Indenture; (iv) enter into, execute and deliver this Bond Purchase Agreement, the Indenture and the Loan Agreement; and (v) pledge and assign to the Trustee certain of the Bank's rights under the Loan Agreement and the Series 2016 Note, pursuant to the Indenture, as security for the payment of the Series 2016 Bonds.

(c) The Bank has full power and authority to consummate the transactions contemplated to be consummated by it pursuant to this Bond Purchase Agreement, the Series 2016 Bonds, the Indenture and the Loan Agreement.

(d) The Bank shall have prior to the Closing duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Series 2016 Bonds upon the terms set forth herein, in the Indenture; (ii) the loan of the proceeds thereof to the City and the use of such proceeds as contemplated by the Indenture and the Loan Agreement; (iii) the execution, delivery and/or receipt of this Bond Purchase Agreement, the Indenture, the Loan Agreement and the Series 2016 Bonds, the approval and the execution, delivery, receipt and/or approval of any and all such other agreements and documents as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to and consummate the transactions contemplated hereby and by the Loan Agreement and the Indenture; and (iv) the effectuation and consummation of the transactions contemplated by this Bond Purchase Agreement, the the Indenture and the Loan Agreement.

(e) The Series 2016 Bonds, when issued, delivered and paid for as herein and in the Indenture provided, will have been duly authorized and issued and will constitute valid and binding special limited obligations of the Bank enforceable in accordance with their terms and entitled to the benefits and security of the Indenture (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights from time to time in effect and further subject to the availability of equitable remedies).

(f) The resolution of the Bank, authorizing the issuance and sale of the Series 2016 Bonds adopted on January 13, 2016 (the "Bank Resolution"), has not been modified, amended or repealed and is in full force and effect on the date hereof.

(g) The Bank will direct the Trustee to apply the proceeds from the sale of the Series 2016 Bonds immediately after the Closing as specified in the Indenture and in any instructions delivered at Closing by an authorized officer of the Bank.

(h) The Bank is in compliance with all material laws and regulations applicable to it and its operations which, if violated by the Bank, could adversely affect the Bank's ability to take the actions contemplated hereby and by the Loan Agreement, and the Indenture.

(i) The Bank is not, in any way which could adversely affect the Bank's ability to take the actions contemplated hereby and by the Loan Agreement and the Indenture, in breach of or in default under any existing law, court or administrative regulation, decree, order, agreement, indenture, mortgage, lease, sublease or other instrument to which it is a party or by which it or its property is or may be bound, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder which could adversely affect the Bank's ability to take the actions contemplated hereby or by the Loan Agreement and the Indenture.

(j) The execution and delivery by the Bank of this Bond Purchase Agreement, the Series 2016 Bonds, the Indenture and the Loan Agreement and the other documents contemplated hereby, the assignment to the Trustee of certain of the Bank's rights under the Loan Agreement and the Series 2016 Note and the compliance by the Bank with the provisions of each of the foregoing documents will not, to any extent or in any way which could adversely affect the Bank's ability to take the actions contemplated hereby and by the Loan Agreement and the Indenture, conflict with or constitute on the part of the Bank a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage or loan agreement by which the Bank or its property is or may be bound.

(k) No litigation or proceeding to which the Bank is a party is pending or, to the knowledge of the Bank, threatened against or affecting the Bank (i) contesting the due organization or valid existence of the Bank, (ii) to restrain or enjoin the issuance or delivery of the Series 2016 Bonds, the application of the proceeds thereof, the functioning of the Bank or the payment, collection or application of revenues pursuant to the Indenture, the Loan Agreement or the Series 2016 Note, (iii) in any way contesting or affecting any authority for, or the validity or execution of the Series 2016 Bonds, the Indenture, the Loan Agreement or this Bond Purchase Agreement, the application of the proceeds of the Series 2016 Bonds or the payment, collection or application of revenues or the pledge thereof pursuant to the Indenture, Loan Agreement or the Series 2016 Note, or (iv) in any way contesting the right and power of the Bank to take the actions to be taken by the Bank contemplated by such documents. To the knowledge of the Bank, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any Court, public board or body pending or threatened against or affecting the Bank (or any meritorious basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or the validity of any agreement or instrument to which the Bank is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(l) The Bank covenants that between the date hereof and the Closing it will not take any action or permit any action within its control to be taken which will cause the representations and warranties of the Bank made herein to be untrue as of the Closing.

(m) The Bank agrees that all representations, warranties and covenants made by it hereunder shall remain in full force and effect despite any investigation by or on behalf of the Purchaser and shall survive any termination of this Bond Purchase Agreement.

4. The City hereby represents and warrants to and covenants with the Purchaser that:

(a) The City is and will be as of the date of the Closing a municipality organized and existing under the laws of the State of Mississippi.

(b) The City is and will be as of the date of Closing authorized under the laws of the State of Mississippi, including particularly the Act to: (i) adopt such resolutions as are necessary to approve the borrowing of the proceeds of the Series 2016 Bonds; (ii) execute and deliver the Series 2016 Note; (iii) borrow the proceeds of the Series 2016 Bonds from the Bank for the purposes set forth in the Loan Agreement and the Indenture; (iv) enter into, execute and deliver this Bond Purchase Agreement, the Loan Agreement, and the Series 2016 Note; and (v) approve the pledge and assignment to the Trustee of certain of the Bank's rights under the Loan Agreement and the Series 2016 Note, pursuant to the Indenture, as security for the payment of the Series 2016 Bonds.

(c) The City has full power and authority to consummate the transactions contemplated to be consummated by it pursuant to this Bond Purchase Agreement, the Series 2016 Bonds, the Indenture, the Loan Agreement and the Series 2016 Note.

(d) The City shall have prior to the Closing duly authorized all necessary action to be taken by it for (i) approving the borrowing of the proceeds of the Series 2016 Bonds from the Bank and the use of such proceeds; (ii) the execution, delivery and/or receipt of this Bond Purchase Agreement, the Loan Agreement and the Series 2016 Note, the approval and the execution, delivery, receipt and/or approval of any and all such other agreements and documents as may be required to be executed, delivered and received by the City in order to carry out, give effect to and consummate the transactions contemplated hereby; and (iii) the effectuation and consummation of the transactions contemplated by this Bond Purchase Agreement, the Series 2016 Note, the Indenture and the Loan Agreement.

(e) The Series 2016 Note, when issued, delivered and paid for as herein and in the Indenture provided, will have been duly authorized and issued and will constitute a valid and binding obligation of the City enforceable in accordance with its terms (subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights from time to time in effect and further subject to the availability of equitable remedies).

(f) The resolution of the City, authorizing the borrowing of the proceeds of the Series 2016 Bonds, adopted on January 19, 2016 and April 28, 2016 (the "City Resolution"), has not been modified, amended or repealed and is in full force and effect on the date hereof.

(g) The City will direct the Bank to apply the proceeds from the sale of the Series 2016 Bonds immediately after the Closing as specified in the Indenture and in any instructions delivered at Closing by an authorized officer of the City.

(h) The City is in compliance with all material laws and regulations applicable to it and its operations which, if violated by the City, could adversely affect the City's ability to take the actions contemplated hereby and by the Loan Agreement and the Indenture.

(i) The City is not, in any way which could adversely affect the City's ability to take the actions contemplated hereby and by the Loan Agreement, the Series 2016 Note and the Indenture, in breach of or in default under any existing law, court or administrative regulation, decree, order, agreement, indenture, mortgage, lease, sublease or other instrument to which it is a party or by which it or its property is or may be bound, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder which could adversely affect the City's ability to take the actions contemplated hereby or by the Loan Agreement, the Series 2016 Note or the Indenture.

(j) The execution and delivery by the City of this Bond Purchase Agreement, the Series 2016 Note, the Loan Agreement and the other documents contemplated hereby and by the Series 2016 Note and the compliance by the City with the provisions of each of the foregoing documents will not, to any extent or in any way which could adversely affect the City's ability to take the actions contemplated hereby and by the Loan Agreement and the Indenture, conflict with or constitute on the part of the City a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage or loan agreement by which the City or its property is or may be bound.

(k) To the knowledge of the City, there is no litigation or proceeding to which the City is a party is pending or, to the knowledge of the City, threatened against or affecting the City (i) contesting the due organization or valid existence of the City, (ii) to restrain or enjoin the issuance or delivery of the Series 2016 Bonds or the Series 2016 Note, the application of the proceeds thereof, the functioning of the City or the payment, collection or application of revenues pursuant to the Indenture, the Loan Agreement, or the Series 2016 Note, (iii) in any way contesting or affecting any authority for, or the validity or execution of the Series 2016 Bonds, the Indenture, the Loan Agreement or this Bond Purchase Agreement, the application of the proceeds of the Series 2016 Bonds or the payment, collection or application of revenues or the pledge thereof pursuant to the Indenture, the Loan Agreement or the Series 2016 Note, or (iv) in any way contesting the right and power of the City to take the actions to be taken by the City contemplated by such documents. To the knowledge of the City, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any Court, public board or body pending or threatened against or affecting the City (or any meritorious basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or the validity of any agreement or instrument to which the City is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(l) The City covenants that between the date hereof and the Closing it will not take any action or permit any action within its control to be taken which will cause the representations and warranties of the City made herein to be untrue as of the Closing.

(m) The City agrees that all representations, warranties and covenants made by it hereunder shall remain in full force and effect despite any investigation by or on behalf of the Purchaser and shall survive any termination of this Bond Purchase Agreement.

5. At 10:00 o'clock A.M., Central Daylight Savings Time, on June 3, 2016 or at such other time or such other date, as shall have been mutually agreed upon by the Bank, the City and the Purchaser, the Bank will deliver, or cause to be delivered, to the Purchaser the Series 2016 Bonds, in a form acceptable to Bond Counsel, duly executed and duly authenticated by the Trustee, together with the other documents hereinafter mentioned; and the Purchaser will accept such delivery and pay the purchase price of the Series 2016 Bonds in immediately available funds by check or wire transfer or transfers.

Delivery of the Series 2016 Bonds as aforesaid shall be made at such location as is mutually agreed upon by the Purchaser, the Bank and the Trustee. Concurrent with such delivery, the Bank and the City shall deliver the certificates, reports and documents described in Section 8 hereof at the offices of Butler Snow LLP,, Ridgeland, Mississippi. Such delivery is herein called the "Closing."

6. The obligations of the Purchaser hereunder to purchase the Series 2016 Bonds shall be subject to the performance by the Bank of its obligations to be performed hereunder at and prior to the Closing, to the performance by the City of its obligations to be performed hereunder at or prior to the Closing, to the accuracy in all material respects, in the reasonable judgment of the Purchaser, of the representations and warranties of the Bank and of the City herein, in both cases, as of the date hereof and as of the time of the Closing and, in compliance with the following conditions:

(a) At the time of the Closing, (i) the Indenture, the Loan Agreement and the Series 2016 Note shall have been executed by the party or parties thereto and shall be in full force and effect and the forms of such instruments, (ii) the Bank and the City shall have duly adopted and there shall be in full force and effect such resolutions as shall, in the opinion of Butler Snow LLP, Ridgeland, Mississippi ("Bond Counsel"), be necessary in connection with the transactions contemplated hereby, (iii) the representations and warranties of the Bank provided in Section 4 hereof and of the City in Section 5 hereof shall be true, complete and correct in all material respects as if then made, (iv) the Bank and the City shall perform or have performed all obligations required under or specified in this Bond Purchase Agreement to be performed at or prior to the Closing, and (v) the proceeds of the sale of the Series 2016 Bonds shall be applied and deposited as described in the Indenture.

(b) At or prior to the Closing, the Bank shall have delivered the Series 2016 Bonds and shall have assigned and delivered the Series 2016 Note to the Trustee.

(c) At or prior to the Closing, the Purchaser shall receive the following documents:

(A) the approving opinion of Bond Counsel dated the date of the Closing, together with letter to the Purchaser authorizing reliance thereon;

(B) an opinion, dated the date of Closing, of counsel for the Bank, in form and content reasonably acceptable to the Purchaser, either addressed to the Purchaser or accompanied by a letter to the Purchaser authorizing reliance thereon;

(C) an opinion, dated the date of the Closing, of counsel for the City, in form and content reasonably acceptable to the Purchaser, either addressed to the Purchaser or accompanied by a letter to the Purchaser authorizing reliance thereon;

(D) a certificate of the City, addressed to the Bank and the Purchaser, dated the date of the Closing, signed by authorized officers of the City, in form and content reasonably acceptable to the Purchaser;

(E) a certificate of the Bank dated the date of the Closing and signed by an appropriate official or representative of the Bank, in form and content reasonably acceptable to the Purchaser;

(F) executed or conformed copies each of the Indenture, the Loan Agreement and the Series 2016 Note duly executed by the parties thereto;

(G) a certified copy of the Bank Resolution authorizing, approving or ratifying the execution and delivery of the Series 2016 Bonds, the Indenture, the Loan Agreement and this Bond Purchase Agreement;

(H) certified copies of the City Resolution authorizing the execution and delivery of the Loan Agreement and the Series 2016 Note;

(I) a certificate of the Trustee to the effect that (i) all moneys and securities delivered to the Trustee under and pursuant to the Indenture have been duly deposited to the credit of the appropriate funds established under or in accordance with the Indenture or otherwise applied as provided in the Indenture, (ii) the Indenture has been duly executed and delivered to the Trustee by the Bank, (iii) the Series 2016 Bonds have been authenticated and (iv) the Trustee has no knowledge of any default under the Indenture;

(J) evidence of validation of the Series 2016 Bonds by judgment of the Chancery Court of the First Judicial District of Hinds County, Mississippi;

(K) such additional legal opinions, certificates, proceedings, instruments and other documents as the Purchaser or Bond Counsel may reasonably request to evidence compliance by the Bank and the City with legal requirements, the truth and accuracy, as of the time of Closing, of their respective representations contained herein and the due performance or satisfaction by each thereof at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by each thereof.

The Bank and the City will furnish the Purchaser with additional conformed copies of such opinions, certificates, letters and documents as the Purchaser reasonably requests.

If either the Bank or the City shall be unable to satisfy the conditions to the obligations of the Purchaser contained in this Bond Purchase Agreement, or if the obligations of the Purchaser to purchase and accept delivery of the Series 2016 Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Purchaser nor the Bank shall be under further obligation hereunder. However, the Purchaser may, in its sole discretion, waive one or more of the conditions imposed by this Bond Purchase Agreement for the protection of the Purchaser and proceed with the Closing contemplated hereby.

7. All representations, warranties and agreements of the Bank and the City herein shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Purchaser, and shall survive any termination of this Bond Purchase Agreement by the Purchaser pursuant to the terms hereof.

8. The Bank will pay or cause to be paid from, but only from, the proceeds of the Series 2016 Bonds, and other moneys provided by the City, all expenses incident to the performance of the Bank's obligations under this Bond Purchase Agreement, including, but not limited to, mailing or delivery of the Series 2016 Bonds, costs of printing the Series 2016 Bonds, mailing and delivery thereof by the printer, fees and disbursements of Bond Counsel, expenses of the Bank, costs and expenses of preparing and reproducing this Bond Purchase Agreement, the Indenture, the Loan Agreement, the Series 2016 Note and fees and expenses of the Trustee. The Purchaser shall pay the cost of all other expenses incurred by the Purchaser in connection with the purchase of the Series 2016 Bonds.

9. Any notice or other communication to be given to the Bank, the City or the Purchaser under this Bond Purchase Agreement shall be given in writing and shall be mailed, telegraphed or delivered to the following respective addresses until otherwise directed by written notice to the other parties hereto:

The Bank:	Mississippi Development Bank 735 Riverside Drive, Suite 300 Jackson, Mississippi 39202 Attention: Executive Director
The City:	City of Hattiesburg, Mississippi City Hall, 200 Forrest Street Hattiesburg, Mississippi 39401 Attention: City Council
The Purchaser:	Regions Commercial Equipment Finance, LLC 1020 Highland Colony Parkway, Suite 200 Ridgeland, MS 39157 Attn: Government & Institutional Banking

10. This Bond Purchase Agreement is made solely for the benefit of the Bank, the City and the Purchaser and their respective successors and assigns and no other person shall acquire or have any right hereunder or by virtue hereof. The terms "successors" and "assigns" as used in the preceding sentence shall not include any purchasers of any Series 2016 Bonds from or through the Purchaser merely because of such purchase. All representations, warranties and agreements in this Bond Purchase Agreement shall remain in full force and effect, regardless of (a) delivery of and payment for the Series 2016 Bonds hereunder and (b) any termination of this Bond Purchase Agreement.

11. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Mississippi.

Very truly yours,

REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC
JACKSON, MISSISSIPPI

BY: ______________________________
TITLE: ______________________________

Signature Page to the Bond Purchase Agreement, by and among the Mississippi Development Bank, the City of Hattiesburg, Mississippi and Regions Commercial Equipment Finance, LLC, Jackson, Mississippi in regard to the sale of Special Obligation Bonds, Series 2016 (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project).

Accepted and agreed to:
:

MISSISSIPPI DEVELOPMENT BANK

BY: ________________________
Its: Executive Director

Signature Page to the Bond Purchase Agreement, by and among the Mississippi Development Bank, the City of Hattiesburg, Mississippi and Regions Commercial Equipment Finance, LLC, Jackson, Mississippi in regard to the sale of Special Obligation Bonds, Series 2016 (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project).

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CITY OF HATTIESBURG, MISSISSIPPI

BY: ______________________________

Authorized Officer

Signature Page to the Bond Purchase Agreement, by and among the Mississippi Development Bank, the City of Hattiesburg, Mississippi and Regions Commercial Equipment Finance, LLC, Jackson, Mississippi in regard to the sale of Special Obligation Bonds, Series 2016 (Hattiesburg, Mississippi Combined Water and Sewer System Construction Project).

NEEL-SCHAFFER
Solutions you can build upon

engineers
planners
surveyors
environmental scientists
landscape architects

April 28, 2016

Mayor Johnny L. DuPree, PhD
City of Hattiesburg
P.O. Box 1898
Hattiesburg, MS 39403-1898

Re: WASTEWATER TREATMENT AND DISPOSAL USING A LAND APPLICATION PROCESS – PROGRAM MANAGEMENT SERVICES
TASK ORDER #9
AMENDMENT 1

Dear Mayor DuPree:

As requested, Neel-Schaffer, Inc. is pleased to provide this Amendment to the referenced Task Order for services related to the ongoing implementation of a wastewater treatment and disposal solution using land application to augment the existing South Lagoon Wastewater Treatment Plant. Specifically, this Amendment to Task Order #9 authorizes an increase in the Fee Authorization for Phase A to compensate for the additional time and services involved in the Acquisition Phase of the Project. Further, in the interest of immediately moving forward with the implementation of the project and facilitating the coordination of all of the City's contracted professionals, this Amendment authorizes additional full-time Program Management services and establishes the Fee Authorization for the remainder of calendar year 2016. As a result of this Amendment, the services described in the original Task Order as "Phase A – Acquisition Phase" are now labeled as "Phase A – Program Management" and are amended to include the services described, herein.

Previously, Neel-Schaffer's role for Program Management was based on providing support services to the City during the advertisement, selection, and negotiation of design engineering services, application for a loan from the State Revolving Loan Fund (SRF), and support for the City's design engineers and legal team for land acquisition. It has now been requested that Neel-Schaffer expand on these services to provide a greater amount of support and coordination to the City to assist in the implementation of the Land Application System (LAS). As such, as the selected Program Manager, we will assist the City in coordinating resources and relationships necessary to achieve the City's desired outcome of full implementation of the LAS Project. Services will include the development of comprehensive systems and procedures such as budgeting, estimating, scheduling, and procurement to facilitate and support the planning, design, and construction process. In this role, Neel-Schaffer will work under the direction of the City's designated representative to coordinate the activities of the selected Firms and/or Contractors that are providing services related to the LAS Project. Specifically, Neel-Schaffer will:

- Assist the City's selected financial consultants(s) obtain information needed to securing financing for the program/project;
- Coordinate with the City's selected Design Engineer for required or requested design standards;
- Developing standards for Project reporting by the City's selected consultants;
- Assist the City with public information and relations;
- Providing outreach to other consultants, contractors, and sub-contractors;
- Assist with procurement of additional consultants for the City, as any additional needs are identified;
- Coordinate land investigation, testing and acquisition services by other consultants, with priority given to identification of suitable land to replace tracts that become unavailable or are contested;
- Coordinate services of the City's selected Design Engineer(s);
- Developing the management strategy for multiple, concurrent construction projects;
- Establishing and documenting quality and performance standards and specifications;
- Developing contracts and procurement strategies;
- Assisting the City with reporting to regulatory agencies;
- Conduct regular meetings with the Program Team and the City, as needed, to effectively communicate progress and issue guidance to maintain effective management over the Program.

Within sixty (60) days of approval of this Amendment, Neel-Schaffer will submit a Program Management Plan (PMP) to the City for review and approval to define the vision, implementation strategy, schedule and budget criteria, and the policies, procedures, and standards for the LAS Program. The PMP is a living document that will be updated periodically during the implementation of the LAS Program and will serve as the master reference document for the entire Program Team throughout the life of the Program.

Neel-Schaffer will designate a Program Director to be the singular point-of-contact for all communication and coordination on behalf of Neel-Schaffer and the City. As of the submission of this Amendment, Mr. Nathan Husman, P.E. will serve as the designated Program Director. The Program Director will act as the overall facilitator, as directed by the City's designated representative, on behalf of the City for all activities of the Program Team for the LAS Project and will coordinate the activities of Watkins-Eager, SDW, Butler Snow, Government Consultants, Carter & Sloope, and others as they may be added to the Program Team. The City will, in writing, advise each of its consultants working on the Project of the Program Manager's role and require that they coordinate all activities with the Program Director within the terms and conditions of each of their contracts. As such, the City will provide copies of all executed agreements and contracts for consultants that are or will be working on the Program to the Program Director for reference. **Neither the Program Director nor Neel-Schaffer has authority to change the terms of existing contracts, enter into contracts or agreements on behalf of the City, or to obligate the City legally or financially.**

The City will assign a City employee as the designated representative to serve as its point-of-contact for the Program Director that will direct the services of the Program Director and Neel-Schaffer. As of the submission of this Amendment, Mr. Lamar Rutland, P.E. will serve this role as part of his duties as the Director of Engineering for the City of Hattiesburg.

The remaining scope(s) contained in the original Task Order for Phase B – Bid and Construction Phase and Phase C – Operational Support Phase remain unchanged as a result of this Amendment and have not yet been authorized to proceed by the City.

The Fee Authorization for Phase A – Program Management is increased by $750,000 to allow for the increased scope of services contained, herein. The scope and Fee Authorization contained in this Amendment are in effect until December 31, 2016 and an additional Amendment will be required to extend Phase A services beyond that date. The suspension and termination provisions of the original Agreement remain in effect and the City may suspend or terminate these services at any time under the existing Terms and Conditions. Services are authorized to proceed immediately upon execution of this Task Order by the City. As such, the Task Order Fee Schedule is hereby amended as follows:

Task Order Schedule

Task	*Fee Terms*	*Original Fee*	*Additional Fee*	*Amended Fee Authorization*
Phase A – Program Management	Hourly; NTE	$75,000	$750,000	$825,000
Phase B – Bid and Construction Phase	Hourly; NTE	To be Negotiated	To be Negotiated	To be Negotiated
Phase C – Operational Support Phase	Hourly; NTE	To be Negotiated	To be Negotiated	To be Negotiated

Please indicate your acceptance of this Task Order by executing both original documents and returning one to our office. Thank you for the opportunity to be of continued service to you.

Sincerely,

NEEL-SCHAFFER, INC.

____
Robert Walker, P.E., Senior Vice President
Central Area Manager

<u>ACCEPTED</u>:

BY: ______________________________

DATE: ______________________________

RESOLUTION

RESOLUTION OF THE CITY OF HATTIESBURG, MISSISSIPPI (THE "CITY"), AUTHORIZING CITY'S ATTORNEYS TO FILE A CONDEMNATION ACTION TO ACQUIRE A LONG-TERM LEASEHOLD INTEREST IN LAND REQUIRED FOR THE CITY'S PLANNED LAND APPLICATION WASTEWATER TREATMENT SYSTEM ("LAS").

WHEREAS, the City earlier resolved to move forward with the development and construction of the LAS to handle the City's future wastewater needs; and,

WHEREAS, Mississippi Water Pollution Control Permit No. MSU213009 (the "Permit"), which by agreement is to be transferred to the City, grants permission to operate such a wastewater disposal system in accordance with the limitations and conditions set forth in the Permit and includes certain parcels that have previously been determined to be acceptable for land application purposes; and

WHEREAS, it is necessary and in the public interest for the City to acquire a thirty (30) year leasehold interest in a certain parcel of pre-qualified land included in the Permit for the LAS, pursuant to House Bill 1529 (2012); and,

WHEREAS, the legal description for the subject parcel is to be attached to the Petition for Special Court of Eminent Domain to be filed on behalf of the City; and,

WHEREAS, upon information and belief, the City believes the owner of the parcel is Soterra, LLC, a Mississippi limited liability company, or other appropriate persons, firms or corporations; and,

WHEREAS, the City is unable to agree on terms on which the City could acquire said interest from the owner; and,

WHEREAS, it is necessary that the City's desired leasehold interest in the subject property be acquired by the City exercising its power of eminent domain pursuant to Miss. Code Ann. § 11-27-1, *et. seq.* (1972), as amended; and,

NOW, THEREFORE, BE IT RESOLVED THAT THE MAYOR and/or CITY COUNCIL OF THE CITY OF HATTIESBURG, MISSISSIPPI, HEREBY:

> Authorize(s) Watkins & Eager, PLLC to institute on behalf of the City a condemnation action pursuant to Miss. Code Ann. §§ 11-27-1 and 21-37-47 (1972), as amended, against any and all persons, known and unknown, claiming an interest in and to the real property described in the legal description to be attached to the Petition for Special Court of Eminent Domain to be filed on behalf of the City and to take all action in connection therewith necessary to obtain a thirty (30) year leasehold interest in the subject property.

The above and foregoing Resolution, after having been first reduced to writing, was introduced by Council member _____________________, seconded by Council member ____________________, and was adopted by the following vote, to-wit:

YEAS: NAYS: ABSENT:

The motion having received the affirmative vote of the City Council, the President of the City Council declared the motion carried and the Resolution adopted, this the _____day of ________ , A.D., 2016.

(SEAL)

ATTEST:	ADOPTED:
______________________	_________________________
CLERK OF COUNCIL	PRESIDENT

The above and foregoing Resolution having been submitted to and approved by the Mayor, this the ____ day of _____________, 20__.

ATTEST:	APPROVED:
____________________	_____________________
CITY CLERK	MAYOR

As provided for by Miss. Code Ann. § 21-8-17(2), in lieu of the signature of the Mayor, this Resolution is hereby executed by the ________________ of the City Council on and effective as of the ______ day of _______, 20___ .

By:

____

President /Vice President City Council

ATTEST:

____

CLERK OF COUNCIL

RESOLUTION

RESOLUTION OF THE CITY OF HATTIESBURG, MISSISSIPPI (THE "CITY"), AUTHORIZING CITY'S ATTORNEYS TO FILE A CONDEMNATION ACTION TO ACQUIRE TITLE IN LAND REQUIRED FOR THE CITY'S PLANNED LAND APPLICATION WASTEWATER TREATMENT SYSTEM ("LAS").

WHEREAS, the City earlier resolved to move forward with the development and construction of the LAS to handle the City's future wastewater needs; and,

WHEREAS, Mississippi Water Pollution Control Permit No. MSU213009 (the "Permit"), which by agreement is to be transferred to the City, grants permission to operate such a wastewater disposal system in accordance with the limitations and conditions set forth in the Permit and includes certain parcels that have previously been determined to be acceptable for land application purposes; and

WHEREAS, it is necessary and in the public interest for the City to acquire title to a certain parcel of pre-qualified land included in the Permit for the LAS; and,

WHEREAS, the legal description for the subject parcel is to be attached to the Petition for Special Court of Eminent Domain to be filed on behalf of the City; and,

WHEREAS, upon information and belief, the City believes the owner of the parcel is Soterra, LLC, a Mississippi limited liability company, or other appropriate persons, firms or corporations; and,

WHEREAS, the City is unable to agree on terms on which the City could acquire said interest from the owner; and,

WHEREAS, it is necessary that the City's desired title to the subject property be acquired by the City exercising its power of eminent domain pursuant to Miss. Code Ann. § 11-27-1, *et. seq.* (1972), as amended; and,

NOW, THEREFORE, BE IT RESOLVED THAT THE MAYOR and/or CITY COUNCIL OF THE CITY OF HATTIESBURG, MISSISSIPPI, HEREBY:

> Authorize(s) Watkins & Eager, PLLC to institute on behalf of the City a condemnation action pursuant to Miss. Code Ann. §§ 11-27-1 and 21-37-47 (1972), as amended, against any and all persons, known and unknown, claiming an interest in and to the real property described in the legal description to be attached to the Petition for Special Court of Eminent Domain to be filed on behalf of the City and to take all action in connection therewith necessary to obtain title in the subject property.

The above and foregoing Resolution, after having been first reduced to writing, was introduced by Council member ______________________, seconded by Council member _____________________, and was adopted by the following vote, to-wit:

YEAS: NAYS: ABSENT:

The motion having received the affirmative vote of the City Council, the President of the City Council declared the motion carried and the Resolution adopted, this the _____day of ________ , A.D., 2016.

(SEAL)

ATTEST: ADOPTED:

______________________ ________________________

CLERK OF COUNCIL PRESIDENT

The above and foregoing Resolution having been submitted to and approved by the Mayor, this the ____ day of ____________, 20__.

ATTEST: APPROVED:

_____________________ _____________________

CITY CLERK MAYOR

As provided for by Miss. Code Ann. § 21-8-17(2), in lieu of the signature of the Mayor, this Resolution is hereby executed by the ________________ of the City Council on and effective as of the ______ day of _______, 20___ .

By:

____

President /Vice President City Council

ATTEST:

____

CLERK OF COUNCIL

City of Hattiesburg, MS

200 Forrest St.
P.O. Box 1898
Hattiesburg, MS 39401

Meeting Agenda - Final

Thursday, April 28, 2016

5:30 PM

Council Chambers

City Council - Amendments to the Agenda

Add Item Number 10 at the request of the Council as follows:

10. 2016-2660 Authorize limited Notice-To-Proceed and Additional Work and Approve Funding of $296,135.24 for Carter & Sloope Consulting Engineers for Work on the Hattiesburg Land Application System.

Attachments: Letter from Neel-Schaffer regarding CS 4-28-16

Letter from CS regarding NTP, additional work, LAS

City of Hattiesburg, MS

200 Forrest St.
P.O. Box 1898
Hattiesburg, MS 39401

Master

File Number: 2016-2660

File ID: 2016-2660 **Type:** Regular Agenda Item **Status:** Agenda Ready

Version: 1 **Reference:** **In Control:** City Council

File Created: 04/28/2016

Brief Title: Limited Notice-To-Proceed and Approval of Additional Work, Carter & Sloope, LAS **Final Action:** 04/28/2016

Minute Book Number: MB2016-117-118

Title:

Authorize limited Notice-To-Proceed and Additional Work and Approve Funding of $296,135.24 for Carter & Sloope Consulting Engineers for Work on the Hattiesburg Land Application System.

Notes:

Sponsors: **Enactment Date:**

Attachments: Letter from Neel-Schaffer regarding CS 4-28-16, Letter from CS regarding NTP, additional work, LAS **Enactment Number:**

Contact: **Meeting Date:** 04/28/2016

Drafter: Debbie Bernardo **Effective Date:**

History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council - Amendments to the Agenda	04/28/2016					
1	City Council - Special Called Meeting	04/28/2016	Authorize				Pass

Action Text: A MOTION was made by Council member Carroll and seconded by Council member Naylor to Authorize limited Notice-To-Proceed and Additional Work and Approve Funding of $296,135.24 for Carter & Sloope Consulting Engineers for Work on the Hattiesburg Land Application System.

Council member Delgado asked for the time of the amendments to be included in the minutes; the file for the amendment page was first completed at 4:22:46 p.m. After the amendment page was issued, a correction was made at 5:19:28 p.m.

Following discussion, the Motion received the affirmative vote of the Council as follows:

Yeas: 4 - Bradley, Carroll, Dryden and Naylor

Nays: 1 - Delgado

Yea:	4	Bradley Carroll Naylor Dryden
Nay:	1	Delgado
ΓEL-No Vote:	0	

Text of Legislative File 2016-2660

Title

Authorize limited Notice-To-Proceed and Additional Work and Approve Funding of $296,135.24 for Carter & Sloope Consulting Engineers for Work on the Hattiesburg Land Application System.

Summary

Limited Notice-To-Proceed and Approval of Additional Work, Carter & Sloope, LAS

Budget Information

Expenditure Type

Purchasing Item

Publication Information

NEEL-SCHAFFER
Solutions you can build upon

engineers
planners
surveyors
environmental scientists
landscape architects

April 27, 2016

Mr. Lamar Rutland, P.E.
Director of Engineering
City of Hattiesburg
P.O. Box 1898
Hattiesburg, MS 39403-1898

Re: LAND APPLICATION SYSTEM - PROGRAM MANAGEMENT
CARTER & SLOOPE, INC. LIMITED NOTICE-TO-PROCEED
AND ADDITIONAL WORK REQUEST #2

Dear Lamar:

In our role as the City's Program Managers, we have received the attached correspondence from the City's Design Engineers requesting a limited notice-to-proceed (NTP) and for consideration of approval for Additional Work items, per their Agreement with the City. Previously, the City has approved one Additional Work Request for $160,000 related to changes made in the actual land parcels being acquired or leased compared to those that were included in the original proposal from Carter & Sloope. Through our negotiations with Carter & Sloope, the previously approved services and fees have been accounted for and reflected in this request.

The Agreement for Professional Services entered into between the City and Carter & Sloope requires issuance of a NTP before their design work can proceed. Their services include permitting activities for the Land Application Project required to make application to the Mississippi Department of Environmental Quality's State Revolving Loan Fund (SRF) program. These services are required, immediately, to support the SRF Facilities Plan and application to meet the upcoming SRF Program deadlines. We recommend approval of their request to authorize a limited NTP in the amount of $93,614.94.

Also, the City's Agreement provides for Carter & Sloope to provide services for Additional Work items that are not contained within the scope used to determine their fees. Currently, changes to the land acquisition plan have required the search for additional available, and suitable, land and the development of a phased approach to the land acquisition. Also, we were notified by the City's financial consultants last week that a contingency plan would have to be developed to identify more land in the event that, during implementation and construction, the City experiences additional obstacles that may delay the overall Project. To satisfy the requirements that we have been told and to maintain the schedule of the Project, we recommend approval of their request for an additional fee of $202,520.30. This amount takes into account the previously approved Additional Work request addressed in our letter dated March 25, 2016.

P.O. Box 1487 / 39403-1487 • 704 Hardy Street • Hattiesburg, MS 39401-3665 • 601.545.1565 • Fax 601.545.2267

In summary, we recommend the City consider budgeting the following amounts from the existing, approved Agreement and for Additional Work related to the land acquisition:

Limited NTP:	$93,914.94	Lump Sum
Additional Work:	$202,520.30	Hourly, Not-To-Exceed

Please feel free to call, anytime, if you require any additional information.

Sincerely
NEEL-SCHAFFER, INC.

Michael W. Essary, P.E.
Vice-President

cc: Mr. Chad Frierson, City of Hattiesburg
Mr. Keith Turner, Watkins-Eager

Carter & Sloope

CONSULTING ENGINEERS

April 26, 2016

Mayor and Council
City of Hattiesburg
P.O. Box 1898
Hattiesburg, MS 39403-1898

Re: Request for Limited Notice-To-Proceed and Additional Work
Funding Source Due Diligence
Hattiesburg Land Application System

Dear Mayor and City Council Members:

As a result of our meeting with the City's attorneys with Watkins & Eager last week, Carter & Sloope has been charged with providing additional due diligence necessary to comply with bonding agency requirements and the MDEQ State Revolving Loan Fund in anticipation of qualifying for FY2016 funding. In order to comply with this request, Carter & Sloope is requesting the following:

1. A limited Notice-To-Proceed with a part of Contract Items **C.2.01.A.2.a** *(Project Development, Permitting and Permit Maintenance Costs)* and **C.2.01.A.1.j** *(Environmental & Mitigation and Work)*totaling **$93,614.94**. These funds are necessary to compensate the environmental professionals for prior work related to wetland delineation/impact studies and cultural resource surveys as well as to move forward with the wetland permitting and other environmental clearances needed in an effort to meet the MDEQ State Revolving Loan fund requirements for Phase 1 of the project at a capacity of approximately 12.7 MGD.

2. Approval for Additional Work, not covered in our original contract, is requested in order to:

    a. Phase 1: Complete wetlands delineation/permitting and cultural resource surveys of new the new force main route along an old railroad bed that parallels James Street. Also includes preparation of revised cost estimate to increase the industrial mechanical plan from 2.0 MGD to 2.5 MGD as requested.

    b. Phase 2: Identify the additional properties needed to replace those original project parcels that are no longer available. These properties are identified as Phase 2 of the project and are intended to return the design capacity to its original 15.5 MGD. This scope will include site selection, preliminary studies, wetlands delineation/permitting, cultural resource survey, environmental clearances and other due diligence needed to proceed with land closing. It will also include an updated overall cost estimate once the properties are well-defined. This updated cost estimate is required by bonding agencies as a condition of financing and is the primary goal of this request.

c. Lamar Alternative: In order to satisfy bonding agency conditions and to reduce risk, an alternative to the Lamar County tracts will be investigated and assessed to determine if a viable alternative exists that is compatible with the other portions of the project. This will include site selection, preliminary soil studies (desktop with limited field verification) and mapping. Detailed environmental review, soil studies or design are not included in this scope of work.

The total requested funds for Additional Work for this period is **$202,520.30.**

The total amount of funds requested for approval, from both the Contract and Additional Work, is **$296,135.24.**

Thank you for your consideration of this request.

CARTER & SLOOPE, INC.

Mark C. Gatlin, P.E.

Fees for Consulting Support & Environmental
Due Diligence Necessary To Satisfy Project Financing Requirements
Hattiesburg LAS
April 26, 2016

Work Item/Firm	Covered in C&S Contract: Work Completed By Groundworx (C.2.02.A)	Covered in C&S Contract: Environmental By C&S (C.2.01.A.1.J)	Covered in C&S Contract: Limited Notice-To Proceed Total	Additional Work: Phase 1	Additional Work: Phase 2	Additional Work: Lamar Alternative	Additional Work: Total Additional Work	Additional Work: Prior Approved Additional Work	Additional Work: Additional Work Remaining To Be Approved	Total Fees Requested This Period	Remarks
General Consulting Support											
Carter & Sloope	$0.00	$0.00	$0.00	[illegible]	$25,000.00	$30,000.00	$75,000.00	[illegible]	$55,000.00	$55,000.00	Ph. 2 Site Selection & Update Total Project Costs, Lamar Alternates Prel. Study
Clearpoint	$0.00	$0.00	$0.00	$0.00	$5,000.00	$7,500.00	$12,500.00	$0.00	$17,500.00	$12,500.00	Ph. 2 & Lamar Alternative: Site Selection Support
Charles N. Clark & Associates	$0.00	$0.00	$0.00	$5,000.00	$0.00	$0.00	$5,000.00	$0.00	$5,000.00	$5,000.00	Ph. 1: Revise Cost Estimate for Ind. Mechanical Plant Upgrade to 2.5 MGD
Environmental/Wetlands/T&E Species/Archeological											
Ecological Restoration Services, Inc.	$9,524.41	$0.00	$9,524.41	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$9,524.41	Original Wetland Surveying & Mapping, Permitting Initiation
Pittman Environmental Solutions	$8,250.00	$17,500.00	$25,750.00	$3,500.00	$16,000.00	$0.00	$19,500.00	$0.00	$19,500.00	$45,250.00	Ph. 1: New FM Route Wetland Delineation, Ph 2: Wetland Delineation/Permitting
Carter & Sloope	$0.00	$25,000.00	$25,000.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$25,000.00	Ph. 1 & Ph. 2: Wetland Impact Details/Exhibits & Coordination of Subconsultants
Cultural Resource Surveys (Archives & History)											
C.R. Goodwin & Associates and/or Others	$23,340.53	$10,000.00	$33,340.53	$17,221.38	$73,298.92	$0.00	$90,520.30	$0.00	$90,520.30	$123,860.83	Ph. 1: New FM Route, Update Reports, Ph. 2: Site Surveys & Report
Soils Surveys - Desktop & Preliminary Field Truthing											
Nutter & Associates, Inc.	$0.00	$0.00	$0.00	[illegible]	[illegible]	$20,000.00	$60,000.00	[illegible]	$20,000.00	$20,000.00	Lamar Alternatives: Desktop Soil Mapping & Limited Field Testing
Boundary Surveys & Mapping											
Clearpoint				$100,000.00	$0.00	$0.00	$100,000.00	$100,000.00	$0.00	$0.00	
TOTALS	$41,114.94	$52,500.00	$93,614.94	$155,721.38	$149,298.92	$57,500.00	$362,520.30	$160,000.00	$202,520.30	$296,135.24	

1. Services Shown On This Page Are Limited To Those Needed For Due Diligence Related to Project Financing. Final Design Costs Are Not Included.
2. Lamar Alternatives Fees Are Limited To Preliminary Planning & Consulting Only As Needed To Assess Feasibility of Alternate Sites (and/or Methods) To The Lamar Tract LAS.
   No Allowance Has Been Made For Wetland Permitting, Cultural Resources, Detailed Soil Surveys Or Design.
3. Costs Covered Under the Carter & Sloope Contract Shown Herein Do Not Represent The Entire Contract Amounts for Each Respective Section.
4. Phase 2 Cultural Resource Survey Fees Are Based Upon Worse Case Scenario
5. Phase 1 and Phase 2 Work Items Highlighted In Orange Previously Approved.