

City's \$600 Million 30 Year Contract with York's Groundworx Puts Tremendous Hardship on Rate Payers



\$500 Million to fix a \$7 Million dollar problem is money down the toilet according to a group of concerned citizens.

After review by independent attorneys advising a group of concerned citizens, one attorney called the contract "an annuity for Groundworx." Another said Groundworx had "no skin in the game." Groundworx itemized each item that the city would be paying for under the agreement. Among the items on the list were a \$100,000 welcome center and \$5,000 for rain coats. Groundworx comes to the table with virtually nothing from an operational standpoint, relying on a \$140 million dollar bond to jump start the fledgling company, which includes a baseline Annual Payment of \$16,600,000 **plus interest.**

Click to enlarge :
Baseline annual
payment for
\$16,613,403
amounts to \$230.00
annually for every
man, woman, and
child in
Hattiesburg and
Petal or
approximately
\$1,000.00 annually
per meter.

To put this into perspective, the annual operating costs amount to \$274.00 for every man, woman, and child in Hattiesburg and Petal. ($\$16,600,000 \div 60,600$ people) Construction cost are over \$2,300 for every man, woman, and child in Hattiesburg and Petal. (Hattiesburg treats Petal's wastewater.) The contract is worth a half a billion dollars over the 30 year period and contains everything Groundworx needs to get up and running, except one thing... taxpayer assisted financing.

Groundworx was banking that a contract with the city would be enough to secure financing for the project, but this proved incorrect. The bond underwriters didn't see the money in the city's budget to pay for the massive construction project and operating expenses. The bond underwriters were looking for Hattiesburg to show we could afford the contract before putting the bond on the market.

Carter Carroll, Mary Dryden, and Kim Bradley tried to hike sewage rates to help Groundworx obtain financing through a bond issue, but the mayor vetoed the measure saying it wasn't

the city's responsibility to help Groundworx obtain financing on the backs of ratepayers. In a previous meeting local citizen named [Gia Croom](#) "fainted" in the city council chambers, which stalled a vote during a special called meeting when Councilwoman Delgado was in D.C. Deborah Delgado returned just in time to stop the veto override and subsequent sewage rate hikes.



Concerns among members of the community have surfaced over Dryden and Bradley's apparent family connections to the half billion dollar project. Relatives of the two council members stand to profit substantially from the Groundworx project. The Groundworx contract is expected to be terminated with cause in early June, opening the door for the Mayor and council to step back choose the only solution, which is to repair our current system and begin meeting EPA requirements.

Line Item Expenses for the Construction of Groundworx's Wastewater Discharge System.

*If you received a google docs error either refresh you page or click the download link and the document will open.

Complete Groundworx contract with City of Hattiesburg

<http://www.mississippimediamedianetwork.com/wp-content/blogs.dir/94/files/2014/05/Contract.pdf>