

**Joint Legislative Committee on Performance
Evaluation and Expenditure Review (PEER)**

Report to
the Mississippi Legislature



An Expenditure Review of the Rankin-Hinds Pearl River Flood and Drainage Control District, FY 2001-FY 2010

Since the historic flood in the spring of 1979, five major flood control plans for the Jackson metropolitan area have been introduced, but governmental entities have not reached an agreement on implementation for a plan. While initially two state agencies, the Pearl River Basin Development District and the Pearl River Valley Water Supply District, exercised the most control over the planning, in 2001 the majority of the authority shifted to the Rankin-Hinds Pearl River Flood and Drainage Control District.

The Rankin-Hinds Pearl River Flood and Drainage Control District has operated within its budget for the past ten years. Revenues generated from Rankin and Hinds counties' millage have been spent toward the operation and upkeep of levees and flood control measures in the area, as well as for studies to support the implementation of a comprehensive flood control plan.

Between FY 2001 and FY 2010, the district expended \$1,929,453.82 in search of a politically, technically, hydraulically, and environmentally feasible flood control plan for the Jackson metropolitan area. While ideally implementation of a plan years ago could have eliminated the need for these funds to be expended, the funds used are appropriate for an entity charged with such a task, especially given the political, legal, and environmental obstacles a flood control plan faces.

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The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U. S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

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The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

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The Mississippi Legislature

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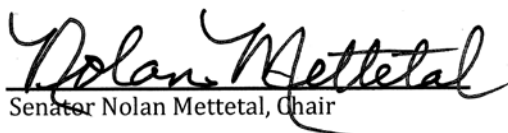
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December 14, 2010

Honorable Haley Barbour, Governor
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Honorable Billy McCoy, Speaker of the House
Members of the Mississippi State Legislature

On December 14, 2010, the PEER Committee authorized release of the report entitled **An Expenditure Review of the Rankin-Hinds Pearl River Flood and Drainage Control District, FY 2001-FY 2010**.


Senator Nolan Mettetal, Chair

This report does not recommend increased funding or additional staff.

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An Expenditure Review of the Rankin-Hinds Pearl River Flood and Drainage Control District, FY 2001-FY 2010

Executive Summary

Introduction

Since the historic flood in the spring of 1979, five major flood control plans for the Jackson metropolitan area have been introduced, but governmental entities have not reached an agreement on implementation for a plan.

Following PEER's report entitled *A Review of Flood Control Options for the Jackson Metropolitan Area, 1979-2010* (Report #540; October 12, 2010), legislators raised additional questions regarding the funds spent by the Rankin-Hinds Pearl River Flood and Drainage Control District pertaining to determining a flood control solution as well as the expenditures on past studies that have yet to yield an implemented plan.

Specifically, this report addresses the following for fiscal years 2001 through 2010:^{*}

- identifies the use of funds by the Rankin-Hinds Pearl River Flood and Drainage Control District;
- identifies contracts made by the Rankin-Hinds Pearl River Flood and Drainage Control District with various contractors; and,
- reviews deliverables achieved by the use of these funds.

When reviewing flood control expenditures, PEER did not determine whether services were obtained at the lowest and best price.

This report neither renders an opinion as to the environmental, economic, or hydraulic feasibility of any project discussed nor offers a preference for any flood control proposal mentioned.

^{*}Fiscal year references in this report are to the fiscal years of the Rankin-Hinds Pearl River Flood and Drainage Control District. Fiscal years for the district run from October 1-September 30.

Conclusions

Flood control is carried on in a complex political and legal environment involving entities at the state, local, and federal level. Several entities at each level have been involved in the process of flood control planning for the Jackson metropolitan area since the 1979 flood. While initially two state agencies, the Pearl River Basin Development District and the Pearl River Valley Water Supply District, exercised the most control over the planning, in 2001 the majority of the authority shifted to the Rankin-Hinds Pearl River Flood and Drainage Control District. This district established the LeFleur Lakes Development Foundation in 2006 to assist with funding.

The Rankin-Hinds Pearl River Flood and Drainage Control District has operated within its budget for the past ten years. Revenues generated from Rankin and Hinds counties' millage have been spent toward the operation and upkeep of levees and flood control measures in the area, as well as for studies to support the implementation of a comprehensive flood control plan.

From 2001 to 2010, both the district and the foundation entered contracts on behalf of the LeFleur Lakes Project. The two main engineering contracts include the Economic Impact Study and the Feasibility Study. Several legal contracts were entered into with Watkins, Ludlam, Winter & Stennis to provide services in connection with grant money received by the foundation and general LeFleur Lakes affairs of the district.

Between FY 2001 and FY 2010, the Rankin-Hinds Pearl River Flood and Drainage Control District expended \$1,929,453.82 in search of a politically, technically, hydraulically, and environmentally feasible flood control plan for the Jackson metropolitan area. While ideally implementation of a plan years ago could have eliminated the need for these funds to be expended, the funds used are appropriate for an entity charged with such a task, especially given the political, legal, and environmental obstacles a flood control plan faces.

Recommendation

PEER finds no cause to make any additions or modifications to the recommendation found in its previous report *A Review of Flood Control Options for the Jackson Metropolitan Area, 1979-2010* (Report #540, available at www.peer.state.ms.us), which states:

In view of the complex regulatory environment, as well as the likely need for future legislation on the subject of flood control district authority, the Rankin-Hinds Pearl River Flood and Drainage Control District should report by December 31 of each year to the Secretary of the Senate, the Clerk of the House, and the PEER Committee on any actions it has taken or progress toward completion of a comprehensive flood control program for the Jackson metropolitan area.

For More Information or Clarification, Contact:

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An Expenditure Review of the Rankin-Hinds Pearl River Flood and Drainage Control District, FY 2001-FY 2010

Introduction

Authority

The PEER Committee reviewed the expenditures associated with the major flood control options that have been discussed for the Jackson, Mississippi, metropolitan area since the flood of 1979. The Committee acted in accordance with the MISS. CODE ANN. Section 5-3-51 et seq.

Scope and Purpose

Since the historic flood in the spring of 1979, five major flood control plans for the Jackson metropolitan area have been introduced, but governmental entities have not reached an agreement on implementation for a plan.

Following PEER's report entitled *A Review of Flood Control Options for the Jackson Metropolitan Area, 1979-2010* (Report #540; October 12, 2010), legislators raised additional questions regarding the funds spent by the Rankin-Hinds Pearl River Flood and Drainage Control District pertaining to determining a flood control solution as well as the expenditures on past studies that have yet to yield an implemented plan.

Specifically, this report addresses the following for fiscal years 2001 through 2010:¹

- identifies the use of funds by the Rankin-Hinds Pearl River Flood and Drainage Control District;
- identifies contracts made by the Rankin-Hinds Pearl River Flood and Drainage Control District with various contractors; and,

¹ Fiscal year references in this report are to the fiscal years of the Rankin-Hinds Pearl River Flood and Drainage Control District. Fiscal years for the district run from October 1-September 30.

- reviews deliverables achieved by the use of these funds.

When reviewing flood control expenditures, PEER did not determine whether services were obtained at the lowest and best price.

This report neither renders an opinion as to the environmental, economic, or hydraulic feasibility of any project discussed nor offers a preference for any flood control proposal mentioned.

Method

In conducting fieldwork, PEER:

- reviewed Profit and Loss statements and Transaction Detail of Accounts of the Rankin-Hinds Pearl River Flood and Drainage Control District from fiscal years 2001 through 2010;
- examined contracts and reports between the Rankin-Hinds Pearl River Flood and Drainage Control District and their legal and engineering contractors;
- reviewed pertinent provisions of state and federal law relating to flood control responsibilities of federal, state, and local entities;
- interviewed staff of the Rankin-Hinds Pearl River Flood and Drainage Control District regarding efforts to implement flood control since 2001; and,
- reviewed reports documenting the deliverables achieved for the Rankin-Hinds Pearl River Flood and Drainage Control District.

Background: Flood Control Projects Considered Since the Flood of 1979

Since the flood of 1979, five major flood control plans have been proposed by the U. S. Army Corps of Engineers, the Pearl River Basin Development District, and/or the Rankin-Hinds Pearl River Flood and Drainage Control District. Each plan offers different benefits and comes with distinctive costs and consequences.

As a result of a powerful storm system that dropped torrents of rain over the Pearl River region of Mississippi between April 11 and April 13, 1979, the Pearl River flooded, cresting at 43.25 feet on Tuesday, April 17, 1979--more than twenty-five feet above its eighteen-foot flood stage. By then, 6,500 people in the Jackson area had been left homeless. In total, the flooding was credited for more than \$500 million worth of damage to businesses, residences, and public buildings. Pearl River flooding continued southward, flooding Georgetown, Monticello, and Columbia.

By Friday, April 13, 1979, floodwaters from the Pearl River were filling the Ross Barnett Reservoir at a rate of 130,000 cubic feet per second. The Ross Barnett Reservoir dam, which could release water at a maximum rate of 180,000 cubic feet per second, released the Pearl River waters at a rate of from 100,000 to 125,000 cubic feet of water per second between Friday, April 13, and Tuesday, April 17, 1979.

Following the flood, it became apparent that flood control measures that had been taken in the 1960s to develop levees in several places along the Pearl River in Hinds and Rankin counties had been inadequate to meet the record amounts of water that descended upon the area in the spring of 1979. While some changes were made to the existing levee system following the flood, several serious efforts at comprehensive flood control have been considered since the 1979 flood.

Since 1979, multiple federal, state, and local entities have been involved in working to develop a comprehensive flood control plan for the Jackson metropolitan area. These entities include the U. S. Army Corps of Engineers, the Pearl River Basin Development District, the Pearl River Water Valley Supply District, the Rankin-Hinds Pearl River Flood and Drainage Control District, Mississippi's Congressional delegation, local governments representing the affected counties and municipalities, and the private Two Lakes for Mississippi Foundation led by Mr. John McGowan.

Exhibit 1, below, summarizes the proposed flood control plans since the flood. (See PEER report #540, *A Review of Flood Control Options for the Jackson Metropolitan Area, 1979-2010* [available at www.peer.state.ms.us] for a more detailed description of the proposed flood control plans in Exhibit 1.)

Exhibit 1: Description of Proposed Pearl River Flood Control Plans, 1984 to Present

From 1984 to present, the following flood control plans for the Pearl River have been officially considered/reviewed by some combination of the U. S. Army Corps of Engineers, the Pearl River Basin Development District, and/or the Rankin-Hinds Pearl River Flood and Drainage Control District.

Flood Control Plan	Description of Proposed Plan
<i>Shoccoe Dry Dam (1984 - 1987)</i>	<p>A 38,850 acre dry lake in Leake, Madison, Rankin, and Scott counties</p> <p>Created by building a dry dam 20 miles above the Ross Barnett Reservoir on the Pearl River at the confluence of Fannegusha Creek</p> <p>Identified by the Corps as the most comprehensive flood control project in October 1984</p> <p>The Mississippi House of Representatives defeated a bill authorizing the Pearl River Basin Development District to serve as the local sponsor for Shoccoe Dry Dam in 1987</p>
<i>Comprehensive Levee Plan (National Economic Development Plan*) (1996 - Present)</i>	<p>The addition of 21 miles of new levees along both sides of the Pearl River from Richland to the Ross Barnett Reservoir</p> <p>Proposed by the Corps in both 1996 and 2007 but has not received local support because the plan does not offer additional economic development opportunities and could cause increased flooding south of the Jackson area</p> <p>Legislation enabling the Pearl River Basin Development District to serve as the local sponsor for the Comprehensive Levee Plan was defeated in both the 1995 and 1996 sessions of the Mississippi Legislature</p>
<i>Two Lakes Plan (1996 - Present)</i>	<p>Originally proposed by John McGowan in 1996 to provide both flood protection and economic development opportunities for the Jackson area</p> <p>Included the dredging and widening of the Pearl River channel between the Ross Barnett Reservoir and Richland plus the insertion of an upper weir to create a 4,500-acre upper lake and a lower weir to create a 500-acre lower lake</p> <p>Included the development of a 600-plus-acre island for economic development purposes</p>

	Has been continually modified since its inception; as of April 2008, Two Lakes now includes 36 smaller islands and lowered the original elevation of the second lake to be 22 feet lower than the upper lake
LeFleur Lakes Plan (2001 - 2007)	The Two Lakes Plan was adopted by the Rankin-Hinds Pearl River Flood and Drainage Control District and renamed the LeFleur Lakes Plan. The Rankin-Hinds Pearl River Flood and Drainage Control District presented the original LeFleur Lakes Plan to the Corps as the Locally Preferred Plan
Modification A: LeFleur Lakes plus the Byram Lake	The Corps determined that the original LeFleur Lakes Plan did not provide adequate flood control protection during initial hydraulic investigations
Modification B: LeFleur Lakes Plus Additional Levees	In 2007, even despite being significantly modified in two different ways by the Corps (in consult with the Rankin-Hinds Pearl River Flood and Drainage Control District's contract engineers) to provide adequate flood control protection, the LeFleur Lakes plan was still unable to meet the Corps' standards for being economically or environmentally feasible
Lower Lake Plan (2007 - Present)	Introduced in 2007 after the LeFleur Lakes Plan failed to receive the Corps' support A combination of a Lower Lake from just south of I-20 to Lakeland Drive plus the 21 miles of additional levees proposed by the Comprehensive Levee Plan From an economic development perspective, the Lower Lake Plan offers two developable islands (combined 200 plus acres), developable shoreline, and an option to develop Town Creek Currently considered the Locally Preferred Plan because of its estimated lower cost (compared to Two Lakes or LeFleur Lakes) combined with its potential economic development opportunities and flood protection capabilities

*The federal government will provide funding equal to 65% of the cost of the National Economic Development (NED) Plan. Since the Comprehensive Levee Plan, which is currently the NED plan, is estimated to cost \$200 million, the federal government will pay \$135 million toward any Corps-approved flood control plan.

SOURCES: *Comprehensive Pearl River Flood Control Program* by the Pearl River Basin Development District, 1985; Pearl River Basin Development District website; *Pearl River Watershed (Mississippi), Feasibility Study, Main Report, Draft and Environmental Impact Statement, Volume 1*, U. S. Army Corps of Engineers (Vicksburg District), February 2007; *Two Lakes: Dreams Realized* by the Two Lakes for Mississippi Foundation; minutes and correspondence of the Rankin-Hinds Pearl River Flood and Drainage Control District; interview with the Rankin-Hinds Pearl River Flood and Drainage Control District's Contract Engineer.

The Roles of the Rankin-Hinds Pearl River Flood and Drainage Control District and the LeFleur Lakes Development Foundation

Flood control is carried on in a complex political and legal environment involving entities at the state, local, and federal level. Several entities at each level have been involved in the process of flood control planning for the Jackson metropolitan area since the 1979 flood. While initially two state agencies, the Pearl River Basin Development District and the Pearl River Valley Water Supply District, exercised the most control over the planning, in 2001 the majority of the authority shifted to the Rankin-Hinds Pearl River Flood and Drainage Control District. This district established the LeFleur Lakes Development Foundation in 2006 to assist with funding.

This chapter includes a discussion of the authority and responsibilities of the Rankin-Hinds Pearl River Flood and Drainage Control District and the LeFleur Lakes Development Foundation.

Role of the Rankin-Hinds Pearl River Flood and Drainage Control District

In 2001, a local flood district, the Rankin-Hinds Pearl River Flood and Drainage Control District, took over the chief responsibility of planning and executing flood control projects in the Jackson metropolitan area.

In 1962, the Legislature enacted Chapter 226, *Laws of 1962*, known as the Urban Flood and Drainage Control Law. Codified as MISS. CODE ANN. Section 51-35-301 (1972) to provide for the creation of flood and drainage control districts, this act established a procedure by which counties and municipalities could join and seek an order in chancery court establishing such a district. These districts have the authority to issue bonds for improvements and have the authority to levy ad valorem taxes to generate revenues for operations.

While the law authorizing the creation of the Rankin-Hinds Pearl River Flood and Drainage Control District refers to such districts as “state agencies,” PEER notes that this particular district lacks certain attributes commonly associated with state agencies. The district is not subject to the appropriations and budgetary oversight processes of the Legislature or the Department of Finance and Administration (see MISS. CODE ANN. Sections 27-103-101 et seq. and Section 27-104-1 generally and Sections 27-103-103 and 27-104-13, specifically).

Further, the Rankin-Hinds Pearl River Flood and Drainage Control District appears to fit within the definition of a political subdivision for purposes of MISS. CODE ANN. Section 11-46-1 et seq. (1972) for purposes of immunity

and tort claims issues because its area of service and responsibility is not statewide.

Finally, the district operates wholly from millage generated by property owners who live within its boundaries. While admittedly the use of the term “state agency” in the statute creates some confusion, it appears that the Rankin-Hinds Pearl River Flood and Drainage Control District has more in common with the political subdivisions of local government than a state agency. Consequently, this report will refer to this district as an entity of local government.

The Rankin-Hinds Pearl River Flood and Drainage District was established by order of the Rankin County Chancery Court on May 9, 1962. At present, the district board’s membership consists of seven members appointed from the municipalities and areas served by the district, including the mayors of Jackson, Flowood, Pearl, and Richland, appointees from the Hinds and Rankin counties’ boards of supervisors, and a gubernatorial appointee.

During the 1960s, this board worked with the U. S. Army Corps of Engineers to develop the system of levees that is present in Hinds and Rankin counties. In recent years, this entity has taken the lead in working with the Corps of Engineers for the development of comprehensive flood control measures for the Jackson metropolitan area.

Of particular note are the efforts of the district’s board related to recent efforts to improve flood control through the consideration of both levee protection and several proposals dealing with the construction of lakes along the Pearl River.

Role of the LeFleur Lakes Development Foundation

The LeFleur Lakes Development Foundation was created by the Rankin-Hinds Pearl River Flood and Drainage Control District as a non-profit organization for the purpose of evaluating economic development opportunities associated with flood control alternatives for the Jackson metropolitan area.

The LeFleur Lakes Development Foundation was created by the Rankin-Hinds Pearl River Flood and Drainage Control District as a non-profit organization for the purpose of evaluating economic development opportunities associated with flood control alternatives for the Jackson metropolitan area. Active members of the district’s Board of Directors serve also serve as the Board of Directors for the foundation.

In May 2007, the Rankin-Hinds Pearl River Flood and Drainage Control District made an agreement with the LeFleur Lakes Development Foundation to participate in the performance of an Economic Impact Study of the LeFleur Lakes Flood Control Plan. The district agreed to provide funds to assist the foundation in providing several

deliverables, including a Master Land Use Plan and a business plan for economic development. A more complete description of the Economic Impact Study may be found on page 17.

Because the LeFleur Lakes Development Foundation is a non-profit organization, it is eligible to apply for grants for which the district is ineligible. The foundation received \$99,200 through the Housing and Urban Development Economic Development Initiative Grant for FY 2009, \$347,200 through the Housing and Urban Development Neighborhood Initiative Grant for FY 2009, and \$345,530 through the Small Business Association Congressional Mandated Award to be used toward the LeFleur Lakes Project for FY 2007. While these grants, along with other donations, pay for much of the foundation's expenses, these sources of revenue alone are not adequate to fund all of the foundation's expenses. The Rankin-Hinds Pearl River Flood and Drainage Control District provides limited assistance to help cover expenses of the foundation when needed.

Fiscal Overview of Funds Expended for Flood Control Studies

The Rankin-Hinds Pearl River Flood and Drainage Control District has operated within its budget for the past ten years. Revenues generated from Rankin and Hinds counties' millage have been spent toward the operation and upkeep of levees and flood control measures in the area, as well as for studies to support the implementation of a comprehensive flood control plan.

Funds Expended on Previous Flood Control Studies

Since 1979, four Pearl River flood control studies have been conducted with the intent of finding a politically supportable, implementable flood control solution for the Jackson metropolitan area. Combined, the studies cost federal and local taxpayers approximately \$7 million. However, none of the studied options have gained the necessary local and federal support needed for implementation.

Since 1979, there have been four Pearl River flood control studies performed with the intent of finding a politically supportable, implementable flood control solution for the Jackson metropolitan area. The major goal of the flood control solution would be to control the Pearl River, thus preventing the reoccurrence of the 1979 Flood. Starting with the proposed Two Lakes Plan in the 1990s and continuing today with the district's Lower Lake Plan, the secondary solution has been to include some form of economic development as part of the flood control solution.

In the early 1980s, the U. S. Army Corps of Engineers, partnering with the Pearl River Basin Development District as the local sponsor, conducted a feasibility study of the Shoccoe Dry Dam. At the time, the cost of such a study was split 75%/25%, with the federal government paying 75% of the costs and the local entity paying 25% of the costs. The Shoccoe Dry Dam Study cost \$1.2 million. Of that, the U. S. Army Corps of Engineers paid approximately \$900,000 while the Pearl River Basin Development District paid approximately \$300,000 for the local share. In 1985, based on a five-year investigation of alternatives, the U. S. Army Corps of Engineers recommended the construction of the Shoccoe Dry Dam in Leake County (near Carthage) "as the only economically feasible solution that will control 87% of the drainage area of the Pearl River above Jackson and regulate floods larger in size than the Easter Flood of 1979." However, in 1987, the Shoccoe Dry Dam plan failed to gain the necessary legislative support when legislation failed to make it out of the Mississippi Senate

Conservation Committee while similar legislation was defeated on the floor of the Mississippi House.

In the 1990s, the U. S. Army Corps of Engineers, partnering again with the Pearl River Basin Development District as the local sponsor, conducted the Pearl River Feasibility Flood Control Study. At the time, the cost was split equally, with the federal government paying 50% of the costs and the local portion equaling 50% of the costs. The Comprehensive Levee Study cost \$2.9 million. Of that, the U. S. Army Corps of Engineers paid approximately \$1,450,000, while a combination of local entities contributed the local portion of approximately \$1,450,000. At the conclusion of the Pearl River Feasibility Flood Control Study, the U. S. Army Corps of Engineers recommended the construction of twenty-one miles of new levees at a cost of \$122,000,000, officially known as the Comprehensive Levee Plan. However, as with the Shoccoe Dry Dam Plan, supporters of the Comprehensive Levee Plan did not secure the passage of legislation necessary to the plan's implementation, failing in both 1995 and 1996 Mississippi legislative sessions.

In December 2000, URS, a private engineering company, completed a report on the Two Lakes Plan entitled *An Independent Evaluation of the Two Lakes Flood Control Plan*. The U. S. Army Corps of Engineers and the Pearl River Basin Development District split the cost of the \$50,000 study, with each contributing \$25,000. URS's evaluation of the Two Lakes Plan asserted that: (a) flood stages could be reduced along the Pearl River in Hinds and Rankin counties; (b) the proposed lakes would have minor impacts south of Jackson; (c) the project would not significantly affect bank stability or caving (downstream effects would be negligible because the lakes do not affect flow hydrographs as they pass through the Jackson area); and, (d) the proposed lakes would have a normal pool significantly higher than existing conditions (this would affect the long-term integrity of the Ross Barnett Reservoir Dam and change the performance of the outlets; some protective retrofit measures would be required before long-term inundation could take place). However, the Corps could not support implementation of the Two Lakes Plan without further study, especially given the rules and regulations the Corps is bound by, as well as concerns the Corps still had about URS's Two Lakes study.

From 2003 to 2007, the Rankin-Hinds Pearl River Flood and Drainage Control District partnered with the U. S. Army Corps of Engineers to conduct the LeFleur Lakes Study, which pitted the Corps' Comprehensive Levee Plan against the Rankin-Hinds Pearl River Flood and Drainage Control District's proposed LeFleur Lakes Plan. At the time, the cost was split equally, with the federal government paying 50% of the costs and the local portion contributing 50% of the costs. The LeFleur Lakes Study

cost \$2.85 million. Of that, the U. S. Army Corps of Engineers paid approximately \$1,425,000 while a combination of local entities (through the Rankin-Hinds Pearl River Flood and Drainage Control District) contributed the local portion of approximately \$1,425,000. At the conclusion of the LeFleur Lakes Study, the Corps of Engineers recommended the Comprehensive Levee Plan, but also recognized it lacked local support. At the same time, the Corps of Engineers determined the locally supported LeFleur Lakes Plan to be unfeasible.

Combined, these studies cost federal and local taxpayers approximately \$7 million. However, none of the previously studied options have gained the necessary local and federal support needed for implementation.

District and Foundation Funds Expended from FY 2001 through FY 2010

District financial data from FY 2001 to FY 2010 shows that funds were used appropriately for the purposes of administration of a flood control district, upkeep of current levees and property, and pursuit of an implementable flood control plan.

Exhibit 2, below, shows comprehensive financial totals for the Rankin-Hinds Pearl River Flood and Drainage Control District from FY 2001 to FY 2010. See the Appendix, page 25, for a detailed year-by-year breakdown.

Exhibit 2: Rankin-Hinds Pearl River Flood and Drainage Control District, Profit and Loss, FY 2001 to FY 2010

From FY 2001 to FY 2010, the Rankin-Hinds Pearl River Flood and Drainage Control District generated \$6,433,674.06 in income while expending \$6,183,650.87.

Total Ordinary Income*	\$6,125,876.98
Total Expense	<u>6,183,650.87</u>
Net Ordinary Income	\$(57,773.89)
Total Other Income**	<u>307,797.08</u>
Net Income	\$250,023.19

* *Ordinary income* is income that comes from standard, short-term events. In this case, ordinary income would come mostly from millage and other taxes. Ordinary income must be distinguished from other income for tax purposes.

** *Other income*, also known as capital income, is income from an investment and is realized over a longer period of time. In this case, other income comes from interest income and leasing income.

SOURCE: Rankin-Hinds Pearl River Flood and Drainage Control District Profit and Loss Statement, FY 2001 to FY 2010.

District revenues come almost entirely from millage from Rankin and Hinds counties.

Revenues for the Rankin-Hinds Pearl River Flood and Drainage Control District come almost entirely from millage from Rankin and Hinds counties. Additional revenue of \$200,000 came from a 2006 Mississippi Development Authority grant and had no stipulations for its use. Approximately 69% of revenues are generated from Rankin and Hinds counties. Exhibit 3, below, shows the sources of the district's revenue from FY 2001 to FY 2010.

Exhibit 3: Breakdown of Income, by Source, for the Rankin-Hinds Pearl River Flood and Drainage Control District, FY 2001 to FY 2010

Source of Income	Income Amount	% of Total Income
<i>Ordinary Income</i>		
Grant Income	\$ 200,000.00	3.11%
Hinds County Millage	543,235.80	8.44%
Rankin County Millage	3,880,828.46	60.32%
LeFleur Lakes Income-Interest on Checking	7,868.58	0.12%
LeFleur Lakes Income-Hinds County	720,906.14	11.21%
LeFleur Lakes Income-Rankin County	762,223.96	11.85%
LeFleur Lakes Income-Other	10,814.04	0.17%
<i>Total Ordinary Income</i>	\$6,125,876.98	95.22%
<i>Other Income</i>		
Total Interest Income	\$140,716.47	2.19%
Leasing Income	164,929.00	2.56%
Other Income	2,151.61	0.03%
<i>Total Other Income</i>	\$307,797.08	4.78%
Total Income	\$6,433,674.06	100.00%

NOTE: Property owners located within the boundaries of the Rankin-Hinds Pearl River Flood and Drainage Control District Profit pay the same millage rate to support the operations and maintenance of the district. However, because Rankin County has more taxable property located within the district's boundaries (especially since the state-owned Mississippi State Fairgrounds Complex located in Hinds County's share of the district is tax-exempt), Rankin County property owners collectively generate seven times more millage revenue than Hinds County property owners.

SOURCE: Rankin-Hinds Pearl River Flood and Drainage Control District Profit and Loss Statement, FY 2001 to FY 2010.

The majority of district expenses may be attributed to the LeFleur Lakes Project, payroll expenses, machine hire, and repairs.

Exhibit 4, page 14, presents comprehensive expense totals from the Rankin-Hinds Pearl River Flood and Drainage Control District. The LeFleur Lakes Project accounts for almost a third of the total expenses. Exhibit 5, page 15, presents a detailed breakdown of LeFleur Lakes Project expenses.

The detailed financial data in the Appendix, page 25, shows year-to-year variances in expenditures. Equipment repairs more than tripled in FY 2010 due to repair to a pump station. Legal fees significantly increased after FY 2006 due to an increased workload from flood control studies. Accounting fees increased in FY 2009 and FY 2010 due to an increased audit workload resulting from the district's decision to prepare more thorough financial statements.

LeFleur Lakes Project expenses, totaling \$1,929,453.82, were used for legal fees, engineering fees, director reimbursements, and more.

LeFleur Lakes Project expenses totaling \$1,929,453.82 may be attributed to several different sources, as shown in Exhibit 5, page 15.

Legal expenses over the ten years account for \$351,258.47, or 18.19% of the cost. \$61,683.61 of this total went to Adams and Edens, \$37,092.11 to Paul B. Henderson, and \$252,482.75 to Watkins, Ludlam, Winter & Stennis. Accounting fees represent \$9,000 of the total. The \$15,753.36 of Directors' Reimbursement is explained by per diem and travel expense out-of-pocket reimbursements accumulated from LeFleur Lakes business trips.

Engineering fees paid to Mississippi Engineering Group, Inc. (MSEG) for the Economic Impact Study, Feasibility Study, and other flood related issues totaled \$1,515,735.21, or 78.56% of the total LeFleur Lakes Project expenses. \$1,103,812.02 of the MSEG funds went toward the completion of the Feasibility Study and Economic Impact Study, while \$372,106.03 went to flood-related issues outside the scope of the two contracts.

Exhibit 4: Breakdown of Expenses, by Category, for the Rankin-Hinds Pearl River Flood and Drainage Control District, FY 2001 to FY 2010

Expense Category	Amount Expended	% of Total Expenses
Reconciliation Discrepancies	\$ (1.74)	0.00%
Depreciation Expense	16,473.25	0.27%
LeFleur Lakes Development Foundation ¹	252,770.78	4.08%
Fuel	115,338.75	1.87%
LeFleur Lakes Project ²	1,929,453.82	31.20%
Bank Service Charges	1,770.00	0.03%
Director's Fees ³	26,400.00	0.43%
Insurance	105,478.14	1.71%
Interest Expense	27.00	0.00%
Machine Hire	705,825.89	11.41%
Maintenance Supplies	76,932.06	1.24%
Miscellaneous ⁴	67,308.13	1.09%
Payroll Expenses	1,247,833.97	20.18%
Payroll Taxes	98,261.34	1.59%
Postage and Delivery	2,344.00	0.04%
Engineering Fees	179,600.38	2.90%
Legal Fees	331,161.96	5.36%
Accounting	21,195.00	0.34%
Repairs	649,459.26	10.50%
Sand and Gravel	79,795.13	1.29%
Telephone	12,302.87	0.20%
Utilities	263,920.88	4.27%
Total Expenses	\$6,183,650.87	100.00%

¹ The district entered into an agreement with the LeFleur Lakes Development Foundation through which the district agreed to perform certain tasks and offer limited financial assistance to the foundation for expenses incurred for the Economic Impact Study. Much of this expense was paid with money that came from Mississippi Development Authority grant revenue.

² Exhibit 5, page 15, presents a detailed breakdown of LeFleur Lakes Project expenses.

³ "Director's Fees" refers to payments made to members of the Board of Directors through a set fee per meeting that each member attends.

⁴ The expense category entitled "Miscellaneous" includes expenses for fuel and general office expenses. Prior to FY 2004, fuel expenses were placed into the Miscellaneous account, but since the amounts were so high, a "Fuel" expense account was created mid-year in FY 2004. Most of the miscellaneous expense total is from these four years of fuel expenses.

SOURCE: Rankin-Hinds Pearl River Flood and Drainage Control District Profit and Loss Statement, FY 2001 to FY 2010.

Exhibit 5: Breakdown of the Rankin-Hinds Pearl River Flood and Drainage Control District's Expenses Pertaining to the LeFleur Lakes Project

Expense Category	Amount Expended	% of Total Expenses
Legal Fees		
Adams and Edens	\$ 61,683.61	3.20%
Paul B. Henderson	37,092.11	1.91%
Watkins, Ludlam, Winter, and Stennis	252,482.75	13.08%
Total Legal Fees	\$351,258.47	18.19%
Accounting Fees		
Barlow, Walker, and Hill	\$9,000.00	0.47%
Engineering Fees		
MS Engineering Group-Feasibility Study ¹	\$1,103,812.02	57.21%
MS Engineering Group-Other Flood Related Issues	372,106.03	19.29%
MS Engineering Group-Other	39,817.16	2.06%
Waggoner Engineering ²	120.00	0.01%
Total Engineering Fees	\$1,515,855.21	78.57%
Other Fees		
Bank Service Charge	\$ 43.85	0.00%
Directors' Reimbursement	15,753.36	0.82%
Capital Resources, LLC	12,938.75	0.67%
Clarion-Ledger	159.96	0.01%
Denney's Restaurant	138.96	0.01%
U.S. Army Corps of Engineers District ³	85,450.00	4.43%
MS Agriculture and Forestry Museum ⁴	588.00	0.03%
Reclassification Journal Entry	(61,232.74)	-3.17%
LeFleur Lakes Foundation Refund	(500.00)	-0.03%
Total Other Fees	\$53,340.14	2.77%
Total	\$1,929,453.82	100.00%

¹ The Rankin-Hinds Pearl River Flood and Drainage Control District contracted with the Mississippi Engineering Group, Inc. (MSEG) for \$1,158,640 for Engineering and Support Services for the Feasibility Study for the LeFleur Lakes Flood Control Plan. This amount was based on a planned compensation schedule with a budget as described in Exhibit 7, page 21.

² The district paid Waggoner Engineering \$120 in 2003 for a flood mapping survey.

³ The district reimbursed the U. S. Army Corps of Engineers, Vicksburg District, \$85,450 for a Watershed Feasibility Study, Habitat Evaluation Procedure, and non-federal cost share for FY 2008.

⁴ The Rankin-Hinds Pearl River Flood and Drainage Control District rented a facility at the Mississippi Agriculture and Forestry Museum for \$588 for the purpose of holding a public hearing to discuss flood control plans.

District and Foundation Audits

Barlow, Walker, & Company, P.A. conducted audits for both the district (FY 2001 to FY 2010) and the foundation (FY 2007 to FY 2009). All audits reviewed by the PEER Committee assert that financial information prepared by the district and the foundation was presented fairly in all material respects.

Barlow, Walker, & Company, P.A., Certified Public Accountants, served as the independent auditor for the Rankin-Hinds Pearl River Flood and Drainage Control District for the entirety of the periods reviewed. Audits from the years ended September 30, 2000-2009 (FY 2001 to FY 2010) each assert that the financial statements prepared by the district present fairly, in all material respects, the receipts, disbursements, and cash balances of the district.

Barlow, Walker, & Company, P.A., also served as the independent auditor for the LeFleur Lakes Development Foundation. Audit reports for the Statements of Receipts and Disbursements and Cash Balances for the fiscal years ending September 30, 2007-2009 (FY 2007 to FY 2009) affirm that the financial statements are presented fairly in all material respects.

Contracts Entered Into By the District and the Foundation

From 2001 to 2010, both the district and the foundation entered contracts on behalf of the LeFleur Lakes Project. The two main engineering contracts include the Economic Impact Study and the Feasibility Study. Several legal contracts were entered into with Watkins, Ludlam, Winter & Stennis to provide services in connection with grant money received by the foundation and general LeFleur Lakes affairs of the district.

Engineering Contracts

The LeFleur Lakes Development Foundation contracted with the Mississippi Engineering Group, Inc., to complete an Economic Impact Study of the LeFleur Lakes Flood Control Plan. The contract required the production of an Economic Impact Study Report; a Summary Report was released in February 2010.

The LeFleur Lakes Development Foundation contracted with the Mississippi Engineering Group, Inc. (MSEG) to complete an Economic Impact Study of the LeFleur Lakes Flood Control Plan. The contract required the production of an Economic Impact Study Report. The Economic Impact Study Report was required to include several items:

- a Master Land Use Plan, assessing in detail the fiscal and practical viability of the proposed development. This plan was to include a discussion of significant traffic and parking issues, a discussion of the approach to developing, maintaining, and enhancing the shoreline and island, and a delineation of major issues and concerns that would impact the proposed development;
- a Technical Report, including a Market-Based Analysis that would determine the type of development fund that would be appropriate for the area. The Technical Report was to describe in detail the anticipated economic impact of the project and include materials substantiating in detail the findings of the Technical Report;
- a Financing Plan for the project, which was to include consideration of various alternatives for private and/or public sector funding;
- a Public Relations Plan for implementing public involvement activities and actual participation in those activities, which was to include the development of a summary brochure describing the overall project and its benefits; and,

- a study CD(s) or DVD(s) or a combination thereof with all deliverables in electronic format.

A Summary Report detailing the completion of each deliverable was released in February 2010.

MSEG subcontracted with several third parties to complete the deliverables. Duany Plater-Zyberk & Company, Economic Research Associates, Mississippi State University, and AJA Management & Technical Services, Inc., were among these sub-consultants.

The Economic Impact Study Report was paid for with grant funds the foundation received (as well as funds from the district) as part of a May 2007 contractual agreement between the district and the foundation. Grant funding included \$99,200 through the Housing and Urban Development Economic Development Initiative Grant for FY 2009; \$347,200 through the Housing and Urban Development Neighborhood Initiative Grant for FY 2009; and \$345,530 through the Small Business Association Congressional Mandated Award to be used toward the LeFleur Lakes Project for FY 2007. District funding includes funding from a Mississippi Development Authority grant as well as funding from local millage revenue.

Exhibit 6, page 19, shows the amounts expended for each element of the report. The total contract price of \$964,844 was later reduced to \$934,844.

The Rankin-Hinds Pearl River Flood and Drainage Control District contracted with the Mississippi Engineering Group, Inc., to complete Engineering and Support Services for the Feasibility Study for the LeFleur Lakes Flood Control Plan.

The Rankin-Hinds Pearl River Flood and Drainage Control District entered into a Feasibility Cost Sharing Agreement with the Corps of Engineers in October 2003 to update the draft *Feasibility Report, Flood Control, Pearl River Basin, Mississippi, Jackson Metropolitan Area, Mississippi* from January 1996. The update of this report was to include evaluation of the LeFleur Lakes Plan for a comprehensive plan for flood control in the Pearl River Watershed. To perform a portion of the Rankin-Hinds Pearl River Flood and Drainage Control District's share of the work, the district then contracted with the Mississippi Engineering Group, Inc., to complete Engineering and Support Services for the Feasibility Study for the LeFleur Lakes Flood Control Plan. MSEG held monthly meetings with the district to provide an update on the progress of the tasks involved in this Feasibility Study.

Exhibit 7, page 21, outlines the funds budgeted for each category of work. The total budgeted amount of \$1,158,640 was later modified to \$1,128,640.

Exhibit 6: Economic Impact Study Budget for the LeFleur Lakes Flood Control Plan

The LeFleur Lakes Development Foundation contracted with the Mississippi Engineering Group, Inc., for an amount not to exceed \$964,844 to complete an Economic Impact Study of the LeFleur Lakes Flood Control Plan.

Element of Work	Contract Amount Not to Exceed
Master Land Use Plan	\$447,500
Technical Report, including a Market Based Economic Impact Analysis	247,410
Financing Plan, including a Cost Benefit Analysis and Alternatives for Private and/or Public Financing	38,334
Public Relations Plan, including a Public Involvement Plan and Participation	81,600
Summary Brochure/CD(s)/DVD(s)/Planning and Project Management	150,000
Total Contract Price	\$964,844¹

¹ The total contract price of \$964,844 was later reduced to \$934,844.

NOTE: To pay for the study, the foundation applied for and was awarded three grants, including: (a) \$99,200 through the Housing and Urban Development Economic Development Initiative Grant; (b) \$347,200 through the Housing and Urban Development Neighborhood Initiative Grant; and, (c) \$345,530 through the Small Business Association Congressional Mandated Award to be used toward the LeFleur Lakes Project. The remaining funding for the study came from the Rankin-Hinds Pearl River Flood and Drainage Control District as part of a May 2007 contractual agreement between the district and the foundation.

SOURCE: Professional Services Agreement "Economic Impact Study of the LeFleur Lakes Flood Control Plan."

Legal Contracts

The Rankin-Hinds Pearl River Flood and Drainage Control District has contracted with three separate law firms for legal matters since 2001: Adams and Edens; Paul B. Henderson; and Watkins, Ludlam, Winter & Stennis.

Until the end of 2004, Adams and Edens provided legal services to the district. When the workload increased due to the Economic Impact Study and Feasibility Study, it was

time to find a law firm that could handle the additional workload. Paul B. Henderson filled this void until his health declined and the search began for a new legal services provider.

On January 30, 2005, the district ran a legal notice in the *Clarion-Ledger* requesting proposals from attorneys interested in performing legal work for the Foundation. The notice stated the criteria for selection: qualifications, 40 points; experience, 40 points; and capacity, 20 points. Proposals could be submitted for approximately one year. The district chose Watkins, Ludlam, Winter & Stennis, which was the only firm to submit a proposal.

On July 10, 2006, the foundation contracted with Watkins, Ludlam, Winter & Stennis to furnish Legal Services as required by the foundation in connection with the development and implementation of the LeFleur Lakes Project. On this same day, the two parties also signed a contract for services to be provided in connection with the FY 2006 HUD Economic Development Initiative Grant. Additionally, another contract for services was entered into in connection with the FY 2006 HUD Neighborhood Initiative Grant.

Later that year, the district contracted with Watkins, Ludlam, Winter & Stennis to provide legal services in connection with the LeFleur Lakes Project. Watkins, Ludlam, Winter & Stennis has continued to provide legal services for both the district and foundation since that time.

The transaction detail for Watkins, Ludlam, Winter & Stennis lists the category for each bill charged to the District. Exhibit 8, page 22, shows the charges grouped into categories.

Exhibit 7: Feasibility Study Budget

The Rankin-Hinds Pearl River Flood and Drainage Control District contracted with the Mississippi Engineering Group, Inc., for \$1,158,640 to complete Engineering and Support Services for the Feasibility Study for the LeFleur Lakes Flood Control Plan.

Work Category	Budget Amount
Planning and Project Management	\$ 83,360
Public Involvement	105,600
Regional Economic Analysis	30,000
Environmental and Water Quality	497,180
Structural and Technical Design, Evaluation, and Costs	322,300
Surveys and Mapping	91,000
Real Estate Evaluations Support	29,200
Total Budget	\$1,158,640¹

¹ The total budgeted amount of \$1,158,640 was later modified to \$1,128,640.

NOTE: Actual expenses for Engineering and Support Services for the Feasibility Study for the LeFleur Lakes Flood Control Plan performed under the professional services agreement totaled \$1,103,812 and are reflected in Exhibit 5, page 15, under the expense category “engineering fees” as “MS Engineering Group – Feasibility Study.”

SOURCE: Professional Services Agreement “Engineering and Support Services for the Feasibility Study for LeFleur Lakes Flood Control Plan.”

Exhibit 8: Fees Paid by the Rankin-Hinds Pearl River Flood and Drainage Control District to Watkins, Ludlam, Winter & Stennis between July 10, 2006, and September 30, 2010

	Amount of Fee
Feasibility Study	\$ 8,113.34
Institutional Control	36,698.94
Expansion of District Boundaries	4,049.05
Legislative Monitoring	22,971.32
Risk Analysis	3,259.70
Economic Impact Study	169,014.81
Project Administration	17,816.60
<i>Refund</i>	<i>(9,441.01)</i>
Total Fees	\$252,482.75

SOURCE: Rankin-Hinds Pearl River Flood and Drainage Control District Transaction Detail by Account, FY 2001 to FY 2010.

Conclusion Regarding Expenditures of the Rankin-Hinds Pearl River Flood and Drainage Control District

Between FY 2001 and FY 2010, the Rankin-Hinds Pearl River Flood and Drainage Control District expended \$1,929,453.82 in search of a politically, technically, hydraulically, and environmentally feasible flood control plan for the Jackson metropolitan area. While ideally implementation of a plan years ago could have eliminated the need for these funds to be expended, the funds used are appropriate for an entity charged with such a task, especially given the political, legal, and environmental obstacles a flood control plan faces.

Between FY 2001 and FY 2010, the Rankin-Hinds Pearl River Flood and Drainage Control District expended \$1,929,453.82 in search of a politically, technically, hydraulically, and environmentally feasible flood control plan for the Jackson metropolitan area. While ideally implementation of a plan years ago could have eliminated the need for these funds to be expended, the funds used are appropriate for an entity charged with such a task, especially given the political, legal, and environmental obstacles a flood control plan faces. For example, as discussed on pages 9 through 10, both the Shoccoe Dry Dam and Comprehensive Levee flood control plans faced legislative opposition, while the U. S. Army Corps of Engineers determined the LeFleur Lakes flood control plan not to be feasible financially or environmentally. Although PEER did not seek to determine whether services were obtained at the lowest and best price, PEER did determine that the types of expenditures incurred appeared to be appropriate.

Funds expended by the district are clearly documented and may be traced to the deliverables achieved on behalf of the LeFleur Lakes Project.

The district has complied with procurement requirements for legal and engineering contracts.

Recommendation

PEER finds no cause to make any additions or modifications to the recommendation found in its previous report *A Review of Flood Control Options for the Jackson Metropolitan Area, 1979-2010* (Report #540, available at www.peer.state.ms.us), which states:

In view of the complex regulatory environment, as well as the likely need for future legislation on the subject of flood control district authority, the Rankin-Hinds

Pearl River Flood and Drainage Control District should report by December 31 of each year to the Secretary of the Senate, the Clerk of the House, and the PEER Committee on any actions it has taken or progress toward completion of a comprehensive flood control program for the Jackson metropolitan area.

APPENDIX
Rankin-Hinds Pearl River Flood and Drainage Control District
Profit and Loss
October 2000 - September 2010

	OCT00-SEPT01	OCT01-SEPT02	OCT02-SEPT03	OCT03-SEPT04	OCT04-SEPT05	OCT05-SEPT06	OCT06-SEPT07	OCT07-SEPT08	OCT08-SEPT09	OCT09-SEPT10
ORDINARY INCOME/EXPENSE										
Income										
Grant Income	-	-	-	-	-	200,000.00	-	-	-	-
Tax Rev										
Hinds County Tax	42,966.16	46,602.03	50,859.35	41,146.05	47,562.16	56,610.23	53,437.03	55,694.78	74,693.84	73,664.17
Rankin County Tax	262,081.89	297,176.49	301,051.24	239,939.16	365,649.45	355,502.78	408,766.09	418,785.22	612,341.68	619,534.46
Total Tax Rev	305,048.05	343,778.52	351,910.59	281,085.21	413,211.61	412,113.01	462,203.12	474,480.00	687,035.52	693,198.63
LeFleur Lakes Income										
Interest on Checking	-	-	-	264.39	422.40	3,232.58	1,722.94	1,801.63	262.82	161.82
Hinds County	-	-	-	252,406.14	336,000.00	43,040.00	-	89,460.00	-	-
Rankin County	-	-	-	249,723.96	225,000.00	198,040.00	-	89,460.00	-	-
LeFleur Lakes Income-Other	-	-	-	-	-	-	-	-	-	10,814.04
Total LeFleur Lakes Income	-	-	-	502,394.49	561,422.40	244,312.58	1,722.94	180,721.63	262.82	10,975.86
Total Income	305,048.05	343,778.52	351,910.59	783,479.70	974,634.01	856,425.59	463,926.06	655,201.63	687,298.34	704,174.49
Expense										
Reconciliation Discrepancies	-	-	-	-	-	-	-	-	-	(1.74)
Depreciation Expense	-	-	-	-	-	-	-	10,633.83	5,839.42	-
LeFleur Lakes Development Found	-	-	-	-	-	60,000.00	34,380.94	15,135.40	126,009.70	17,244.74
Fuel	-	-	-	8,478.66	18,307.51	22,141.98	18,507.21	27,297.14	9,554.62	11,051.63
LeFleur Lakes Project										
Feasibility Study	-	-	-	187,728.61	449,056.98	403,870.22	179,864.91	41,660.07	-	45.66
Bank Service Charge	-	-	-	-	-	7.75	5.30	30.80	-	-
Reimbursement-Directors	-	312.16	3,133.64	1,434.66	565.00	2,340.00	1,071.00	2,908.82	772.00	716.20
LeFleur Lakes Project- Other	6,957.82	53,926.46	71,454.72	61,850.38	16,229.64	16,945.00	68,369.62	83,236.56	70,626.61	204,333.23
Total LeFleur Lakes Project	6,957.82	54,238.62	74,588.36	251,013.65	465,851.62	423,162.97	249,310.83	127,836.25	71,398.61	205,095.09
Bank Service Charges	352.30	214.95	239.85	137.25	146.95	141.65	134.40	121.15	135.20	146.30
Director's Fees										
Brad Rogers	-	-	-	-	-	-	-	-	160.00	560.00
Harvey Johnson	-	-	-	-	-	-	-	-	160.00	560.00
Socrates Garrett	-	-	-	-	-	-	-	80.00	480.00	600.00
Jimmy Heidel	-	-	-	-	-	320.00	480.00	360.00	280.00	-
Mark Scarborough	-	-	-	-	120.00	480.00	680.00	480.00	520.00	480.00
Con Maloney	-	-	-	120.00	400.00	440.00	800.00	400.00	-	-
Jimmy Foster	320.00	320.00	360.00	360.00	360.00	480.00	720.00	520.00	360.00	-
Shirley Hall	240.00	320.00	400.00	280.00	-	-	-	-	-	-
Billy Orr	280.00	360.00	400.00	400.00	480.00	480.00	760.00	560.00	560.00	600.00
Gary Rhoads	240.00	360.00	440.00	280.00	80.00	480.00	800.00	520.00	560.00	600.00
John Mohr	200.00	160.00	280.00	80.00	-	-	-	-	-	-
Robert Stockett	240.00	280.00	400.00	240.00	-	-	-	-	-	-
W.A. Roper	280.00	360.00	440.00	200.00	-	-	-	-	-	-
Total Director's Fees	1,800.00	2,160.00	2,720.00	1,960.00	1,440.00	2,680.00	4,240.00	2,920.00	3,080.00	3,400.00

	OCT00-SEPT01	OCT01-SEPT02	OCT02-SEPT03	OCT03-SEPT04	OCT04-SEPT05	OCT05-SEPT06	OCT06-SEPT07	OCT07-SEPT08	OCT08-SEPT09	OCT09-SEPT10
Insurance										
Surety Bonds	-	-	-	875.00	875.00	875.00	875.00	875.00	875.00	875.00
Commercial Property	-	-	-	3,047.00	-	(184.00)	-	-	-	-
Fire Insurance	2,568.00	2,776.00	-	-	-	-	2,483.00	2,621.00	2,804.00	2,804.00
General Liability Insurance	-	3,109.93	2,994.00	1,641.94	4,671.00	6,255.95	-	2,430.07	4,860.14	2,431.11
Worker's Comp Insurance	2,707.00	2,887.00	3,900.00	8,938.00	4,019.00	8,173.75	9,559.25	3,142.00	6,277.00	2,437.00
Total Insurance	5,275.00	8,772.93	6,894.00	14,501.94	9,565.00	15,120.70	12,917.25	9,068.07	14,816.14	8,547.11
Interest Expense										
Finance Charge	-	-	-	-	-	-	-	27.00	-	-
Total interest Expense	-	-	-	-	-	-	-	27.00	-	-
Machine Hire	68,409.00	85,985.00	52,386.87	67,885.82	68,037.15	84,328.44	72,208.81	82,073.03	63,427.72	61,084.05
Maintenance Supplies	96.28	3,076.33	2,553.42	9,041.81	13,163.97	20,681.52	5,454.92	7,536.12	6,741.58	8,586.11
Miscellaneous	42,887.42	7,503.82	8,805.60	4,815.16	1,209.09	96.76	265.06	157.16	627.81	940.25
Payroll Expenses										
PERS-RHPRFDCD contribution	-	-	-	-	-	-	-	-	7,986.48	12,294.85
PERS-employee contribution	-	-	-	-	-	-	-	-	159.30	(159.50)
Gross Wages	99,954.75	117,997.75	140,199.00	122,252.00	132,894.50	121,003.00	117,166.50	111,252.00	121,779.00	134,904.00
Payroll Expenses-Other	-	-	-	1,049.37	1,164.36	1,179.29	1,141.96	1,098.48	1,213.70	1,303.18
Total Payroll Expenses	99,954.75	117,997.75	140,199.00	123,301.37	134,058.86	122,182.29	118,308.46	112,350.48	131,138.48	148,342.53
Payroll Taxes										
FICA	6,197.20	7,315.86	8,692.35	7,579.64	8,239.45	7,502.19	7,264.33	6,897.64	7,550.29	8,364.03
Medicare	1,449.33	1,711.00	2,032.87	1,772.65	1,926.96	1,754.58	1,698.90	1,613.16	1,765.80	1,956.11
SUI	1,147.45	1,517.99	1,626.04	685.52	-	-	-	-	-	-
Total Payroll Taxes	8,793.98	10,544.85	12,351.26	10,037.81	10,166.41	9,256.77	8,963.23	8,510.80	9,316.09	10,320.14
Postage and Delivery	199.00	156.00	272.00	275.00	312.00	287.00	213.00	145.00	230.00	255.00
Professional Fees										
Engineering Fees	22,994.62	2,229.60	16,188.35	3,948.00	4,431.50	13,772.00	8,157.25	22,847.08	32,230.61	52,801.37
Legal Fees	6,000.00	6,000.00	6,000.00	7,852.50	8,522.19	5,625.00	55,656.64	89,625.82	102,896.46	42,983.35
Accounting	885.00	885.00	900.00	925.00	975.00	1,125.00	1,250.00	1,500.00	4,000.00	8,750.00
Total Professional Fees	29,879.62	9,114.60	23,088.35	12,725.50	13,928.69	20,522.00	65,063.89	113,972.90	139,127.07	104,534.72
Repairs										
Levee Repairs	-	-	-	-	-	-	-	-	39,160.00	5,346.50
Equipment Repairs	35,947.54	33,337.68	35,672.75	18,568.53	80,695.09	46,605.97	28,463.68	22,281.31	64,446.70	238,933.51
Total Repairs	35,947.54	33,337.68	35,672.75	18,568.53	80,695.09	46,605.97	28,463.68	22,281.31	103,606.70	244,280.01
Sand and Gravel	65,191.33	3,152.80	-	6,696.00	1,755.00	-	-	-	3,000.00	-
Telephone	1,208.11	1,117.99	1,439.36	1,190.45	1,161.59	1,311.70	1,165.81	1,354.50	1,078.84	1,274.52
Utilities										
Electric	22,560.05	23,323.86	25,109.31	48,294.56	35,269.19	10,486.72	11,762.77	33,645.65	15,558.71	37,910.06
Total Utilities	22,560.05	23,323.86	25,109.31	48,294.56	35,269.19	10,486.72	11,762.77	33,645.65	15,558.71	37,910.06
Total Expense	389,512.20	360,697.18	386,320.13	578,923.51	855,068.12	839,006.47	631,360.26	575,065.79	704,686.69	863,010.52
Net Ordinary Income	(84,464.15)	(16,918.66)	(34,409.54)	204,556.19	119,565.89	17,419.12	(167,434.20)	80,135.84	(17,388.35)	(158,836.03)

	OCT00-SEPT01	OCT01-SEPT02	OCT02-SEPT03	OCT03-SEPT04	OCT04-SEPT05	OCT05-SEPT06	OCT06-SEPT07	OCT07-SEPT08	OCT08-SEPT09	OCT09-SEPT10
OTHER INCOME/EXPENSE										
Other Income										
Interest Income										
Interest on CD	21,381.98	7,854.82	4,393.62	1,949.85	7,177.18	18,244.50	29,416.16	12,026.01	3,534.55	443.04
Interest on Checking	2,044.60	821.68	312.74	194.80	263.16	4,566.30	10,929.63	7,752.81	738.23	444.47
Interest Income-Other	1,526.34	-	-	-	-	-	-	-	4,700.00	-
Total Interest Income	24,952.92	8,676.50	4,706.36	2,144.65	7,440.34	22,810.80	40,345.79	19,778.82	8,972.78	887.51
Leasing Income	44,235.00	16,701.00	8,802.50	12,777.00	13,544.25	15,081.00	15,845.25	15,420.75	11,657.25	10,865.00
Other Income	-	-	-	-	-	-	329.09	272.21	1,550.31	-
Total Other Income	69,187.92	25,377.50	13,508.86	14,921.65	20,984.59	37,891.80	56,520.13	35,471.78	22,180.34	11,752.51
Net Other Income	69,187.92	25,377.50	13,508.86	14,921.65	20,984.59	37,891.80	56,520.13	35,471.78	22,180.34	11,752.51
Net Income	(15,276.23)	8,458.84	(20,900.68)	219,477.84	140,550.48	55,310.92	(110,914.07)	115,607.62	4,791.99	(147,083.52)

SOURCE: Rankin-Hinds Pearl River Flood and Drainage Control District Profit and Loss Statements, FY 2001 to FY 2010

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