

By: Representatives Miller, Robertson,
Jennings, McBride, Woods

To: Local and Private
Legislation; Ways and
Means

HOUSE BILL NO. 1735

1 AN ACT TO AUTHORIZE THE COUNTY OF DESOTO TO CREATE A DESOTO
2 COUNTY REGIONAL UTILITY AUTHORITY; TO AUTHORIZE OTHER
3 MUNICIPALITIES, PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO
4 BECOME MEMBERS THEREOF; TO AUTHORIZE THE AUTHORITY TO ACQUIRE,
5 CONSTRUCT, MAINTAIN AND OPERATE SEWAGE TREATMENT SYSTEMS, WASTE
6 TREATMENT SYSTEMS, WASTEWATER TREATMENT SYSTEMS, AND GROUNDWATER
7 TREATMENT SYSTEMS; TO AUTHORIZE PUBLIC AGENCIES TO CONTRACT WITH
8 THE AUTHORITY AND TO INCLUDE PAYMENTS TO BE MADE UNDER SUCH
9 CONTRACTS AS AN OPERATING EXPENSE OF SUCH PUBLIC AGENCIES'
10 TREATMENT SYSTEMS; TO OBLIGATE GENERAL FUNDS AND SPECIAL
11 ASSESSMENTS IN SUPPORT OF SAID PAYMENTS; TO AUTHORIZE THE
12 AUTHORITY TO ISSUE BONDS AND TO PLEDGE REVENUES DERIVED FROM SAID
13 CONTRACTS IN SUPPORT THEREOF; TO ENTER INTO SUCH AGREEMENTS,
14 CONTRACTS AND FINANCIAL ARRANGEMENTS AS MAY BE NECESSARY TO CARRY
15 OUT SUCH DUTIES; AND FOR RELATED PURPOSES.

16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

17 SECTION 1. The purpose of this act is to authorize a
18 cooperative effort by any contiguous area situated within DeSoto
19 County, including the areas situated within the corporate
20 boundaries of any existing municipality and other eligible
21 municipalities, public agencies and political subdivisions, for
22 the acquisition, construction and operation of user funded systems
23 for the collection, transportation, treatment and treatment of
24 wastes; including sewerage systems, sewage treatment systems, and
25 wastewater and wastewater treatment systems, in order to prevent
26 and control the pollution of the waters in this state by the
27 creation of a DeSoto County Regional Utility Authority. This act
28 may be cited as the "DeSoto County Regional Utility Authority
29 Act."

30 SECTION 2. Words and phrases used in this act shall have
31 meanings as follows:

32 (a) "Authority" means the DeSoto County Regional

33 Utility Authority created under this act to serve the metropolitan
34 area or a designated portion thereof, as set forth in the
35 resolution creating or expanding the authority.

36 (b) "Board of directors" means the Board of Directors
37 of the DeSoto County Regional Utility Authority.

38 (c) "Bonds" means revenue bonds and interim notes
39 having a maturity of three (3) years or less, and other
40 certificates of indebtedness of the district issued under the
41 provisions of this act.

42 (d) "Groundwater" means that water occurring beneath
43 the surface of the ground.

44 (e) "Groundwater system" means a system for the
45 drainage, conservation, development, utilization, impoundment,
46 diversion, flowage, distribution and disposal of groundwater.

47 (f) "Horn Lake Creek Basin Interceptor Sewer District"
48 means the entity created by Chapter 627, Local and Private Laws of
49 1971, as amended by Chapter 952, Local and Private Laws of 1980,
50 as amended by Chapter 880, Local and Private Laws of 1990, as
51 amended by Chapter 910, Local and Private Laws of 1992.

52 (g) "Member agency" means the unincorporated contiguous
53 area of DeSoto County and any public agency which elects to become
54 a constituent member of the authority upon its organization, and
55 which is admitted to the authority by affirmative vote of the
56 board of directors of such authority, and pursuant to the
57 resolution creating the authority in accordance with the
58 provisions of Section 3 of this act.

59 (h) "Metropolitan area" means all of the area or
60 territory lying within DeSoto County, Mississippi, as more
61 accurately described in Section 19-1-33 and any such additional
62 area to be served by the authority, whether or not such area be
63 contiguous; provided, however, that the metropolitan area shall
64 not include any area located within the corporate limits of a
65 municipality which is not a member agency, nor shall it include

66 the Horn Lake Creek Basin Interceptor Sewer District, should they
67 elect not to be a member agency of the authority.

68 (i) "Metropolitan area plan" means a comprehensive plan
69 for sewerage systems and sewage treatment systems, wastewater and
70 wastewater treatment systems within the metropolitan area,
71 consistent with standards established pursuant to applicable
72 federal and state law.

73 (j) "Municipality" means any incorporated city, town,
74 or village of the State of Mississippi, whether operating under
75 general law or under special charter, lying wholly or partly
76 within the metropolitan area.

77 (k) "Person" means the State of Mississippi, a
78 municipality, any public agency or any other city, town, village
79 or political subdivision or governmental agency of the State of
80 Mississippi or of the United States of America, or any private
81 utility, individual, copartnership, association, firm, trust,
82 estate or any other entity whatsoever. For the purposes of this
83 act, the term "person" shall also include the Horn Lake Creek
84 Basin Interceptor Sewer District.

85 (l) The terms "pollution," "wastes," "waters" or
86 "waters of the state" shall have meanings as set forth in the
87 Mississippi Air and Water Pollution Control Law, Section 49-17-5
88 et seq.

89 (m) "Public agency" means any county, municipality, or
90 persons, as are defined herein, lying wholly or partially within
91 the metropolitan area, any state board or commission owing or
92 operating properties within a metropolitan area, a district
93 created pursuant to Sections 51-9-101 through 51-9-163 or Sections
94 19-5-151 through 19-5-257, or any other political subdivision of
95 the State of Mississippi lying wholly or partially within a
96 metropolitan area and having the power to own and operate
97 waterworks, water supply systems, sewerage systems, treatment
98 facilities, sewage treatment systems, or other facilities or

99 systems for the collection, transportation, treatment and
100 treatment of waste, sewerage and wastewater.

101 (n) "Sewage treatment system" means a system for
102 collecting, transferring, treating and disposing of waste,
103 including, but not limited to, sewerage systems and treatment
104 facilities, as these terms are defined in this act.

105 (o) "Sewerage system" means pipelines or conduits,
106 canals, pumping stations and force mains, and all other
107 structures, devices, facilities and appliances appurtenant
108 thereto, used for collecting or conducting waste to an ultimate
109 point for treatment.

110 (p) "Treatment facilities" means any plant, treatment
111 field, lagoon, pumping station, constructing drainage ditch or
112 surface water intercepting ditch, canal, incinerator, area devoted
113 to sanitary landfills or other works not specifically mentioned
114 herein, installed for the purpose of treating, neutralizing,
115 stabilizing or disposing of waste or facilities to provide cooling
116 water to collect, control and dispose of waste heat.

117 (q) "Treatment systems" means the collective or
118 individual systems for collecting, transferring, treating and
119 disposing of sewage, waste, wastewater, and groundwater, or its
120 particular individual substance, and including all treatment
121 facilities, pipelines, conduits, pumping stations and all other
122 structures, devices and appliances appurtenant thereto, including
123 land and right-of-way thereto.

124 (r) "Waste" means sewage, industrial waste, municipal
125 waste, recreational waste and agricultural waste, waste heat, and
126 any other waste that may cause impairment of the quality of the
127 waters in the state.

128 (s) "Wastewater" means water being disposed of by any
129 person and which is contaminated with waste or sewage.

130 (t) "Water supply system" means pipelines, conduits,
131 pumping stations and all other structures, devices and appliances

132 appurtenant thereto, including land and right-of-way thereto, for
133 use for transporting water to a point of ultimate use.

134 (u) "Waterworks" means all works, plants or other
135 facilities necessary for the purpose of collecting, storing,
136 treating and transporting water for domestic, municipal,
137 commercial, industrial, agricultural and manufacturing purposes,
138 including open channels.

139 SECTION 3. (1) The formation of the DeSoto County Regional
140 Utility Authority shall be conducted in accordance with the
141 provisions of this section. The DeSoto County Board of
142 Supervisors is authorized to file a petition with the Chancery
143 Court of DeSoto County, for approval of the formation of the
144 DeSoto County Regional Utility Authority, which may be joined in
145 by any municipality or public agency lying wholly or partly within
146 the metropolitan area, for the organization of the authority in
147 this state. When organized in accordance with the provisions of
148 this act, the authority shall be a political subdivision of the
149 State of Mississippi and shall have the powers granted to the
150 authority under this act.

151 (2) (a) Before the DeSoto County Board of Supervisors files
152 its petition with the chancery court, one of the following must
153 occur:

154 (i) A petition for the organization of a DeSoto
155 County Regional Utility Authority must be presented to the DeSoto
156 County Board of Supervisors, signed by not less than twenty-five
157 (25) owners of real property residing within the boundaries of the
158 proposed district; or

159 (ii) A resolution of the DeSoto County Board of
160 Supervisors must be brought forth upon motion of the board.

161 (b) The petition or resolution shall include the
162 following:

163 (i) A statement of the necessity for the service
164 or services to be supplied by the proposed district;

165 (ii) The proposed corporate name for the district;
166 (iii) The proposed boundaries of the district;
167 (iv) An estimate of the cost of the acquisition or
168 construction of the facilities to be operated by the district with
169 disclosure that the estimate shall not serve as a limitation upon
170 the financing of the creation, operation, improving upon or
171 extending of the authority;
172 (v) A statement of whether the DeSoto County Board
173 of Supervisors intends to levy a tax in support of the authority;
174 and
175 (vi) A statement of whether the DeSoto County
176 Board of Supervisors intends to makes assessments in support of
177 the authority.

178 (3) Any petition for formation shall be signed in person by
179 the petitioners, shall set forth their respective addresses, and
180 shall be accompanied by a sworn statement that each signature is
181 the signature of the person it purports to be and that each person
182 so signing was at the time of signing an owner of real property
183 within DeSoto County.

184 (4) The board of supervisors may initiate the petition
185 process to incorporate the authority by adopting a resolution of
186 the board of supervisors to have the appropriate petition prepared
187 and presented to the public for signature as set forth above.

188 (5) A properly signed petition shall be filed with the
189 DeSoto County Board of Supervisors. Upon the filing of the
190 petition with the DeSoto County Board of Supervisors, or upon the
191 approval of the DeSoto County Board of Supervisors of the
192 appropriate resolution, the DeSoto County Board of Supervisors
193 shall fix a time and place for a public hearing upon the question
194 of the public convenience and necessity of the incorporation of
195 the proposed authority. The hearing shall not be more than thirty
196 (30) days after the filing of the petition. The date of the
197 hearing, the place at which it shall be held, the proposed

198 boundaries of said district, and the purpose of the hearing, shall
199 be set forth in a notice to be signed by the clerk of the DeSoto
200 County Board of Supervisors to be published in a newspaper having
201 general circulation for a period of once a week for at least three
202 (3) consecutive weeks before the date set forth for the hearing.
203 The first such publication shall be made not less than twenty-one
204 (21) days before the date of such hearing and the last publication
205 shall be made not more than seven (7) days before the date of such
206 hearing.

207 (6) Upon the public hearing, should the DeSoto County Board
208 of Supervisors determine that the public convenience and necessity
209 require the creation of the district, and that the creation of the
210 district is economically sound and desirable, the DeSoto County
211 Board of Supervisors shall adopt a resolution making the aforesaid
212 findings and declaring its intention to create the authority on a
213 date to be specified and designating the name of the proposed
214 district and its territorial limits. The resolution shall further
215 state the authority of the authority to levy taxes and make
216 assessments.

217 (7) A certified copy of the resolution as adopted by the
218 DeSoto County Board of Supervisors shall be published in a
219 newspaper having a general circulation within such proposed
220 district once a week for at least three (3) consecutive weeks
221 before the date specified in such resolution as the date upon
222 which such DeSoto County Board of Supervisors intends to create
223 the authority. The first such publication shall be made not less
224 than twenty-one (21) days before the date specified, and the last
225 such publication shall be made not more than seven (7) days before
226 such date.

227 (8) If twenty percent (20%) or one thousand five hundred
228 (1,500), whichever is less, of the qualified electors of the
229 proposed district file a written petition with the DeSoto County
230 Board of Supervisors on or before the date specified for the

231 creation of the authority, protesting against the creation of such
232 district, the DeSoto County Board of Supervisors shall call an
233 election on the question of the creation of such district. Such
234 election shall be held and conducted by the election commissioners
235 of the county as nearly as practicable in accordance with the
236 general laws governing elections, the election commissioners shall
237 determine which of the qualified electors of such county who
238 reside within the proposed metropolitan area plan shall be
239 entitled to vote in such election. Notice of the election setting
240 forth the time, place or places, and purpose of such election
241 shall be published by the clerk of the DeSoto County Board of
242 Supervisors, within the time periods and in the manner provided in
243 Section 3(5) of this act for the publication of the resolution of
244 intent. The ballots to be prepared and used at the election shall
245 be in substantially the following form:

246 FOR CREATION OF DESOTO COUNTY REGIONAL UTILITY AUTHORITY
247 DISTRICT ()
248 AGAINST CREATION OF DESOTO COUNTY REGIONAL UTILITY AUTHORITY
249 DISTRICT ()

250 Each voter shall vote by placing a cross mark (x) opposite his
251 choice.

252 If three-fifths (3/5) of those voting in the election for the
253 creation of the authority vote in favor of the creation of the
254 authority, the DeSoto County Board of Supervisors shall adopt a
255 resolution creating the district as described in the resolution of
256 intent.

257 (9) Upon adopting a resolution creating the authority, the
258 DeSoto County Board of Supervisors shall transmit to the DeSoto
259 County Chancery Court Clerk the resolution of the DeSoto County
260 Board of Supervisors approving the creation of the authority, a
261 copy of all affidavits verifying the publication of all required
262 notices, the minutes of any hearings before the DeSoto County
263 Board of Supervisors regarding the formation of the authority, and

264 the results of any elections held under Section 3(8) of this act.

265 The DeSoto County Chancery Court Clerk shall then file the
266 documents, enter them on the docket of the DeSoto County Chancery
267 Court and promptly notify the DeSoto County Chancellor in writing
268 that the papers are on file and the cause has been docketed. The
269 chancellor shall then notify the chancery court clerk to set the
270 matter for hearing at some future date, not less than ten (10)
271 days thereafter, and the clerk shall give not less than five (5)
272 days' notice by making at least one (1) publication in some paper
273 published in DeSoto County, addressed to the taxpayers and
274 qualified electors of the proposed metropolitan area plan and all
275 other persons interested. The notice shall state the date, place
276 and time of such hearing; state that a petition has been filed to
277 organize the DeSoto County Regional Utility Authority under the
278 provisions of this act, describe the proposed metropolitan area,
279 and command that any interested persons appear before the DeSoto
280 County Chancery Court or the chancellor in vacation on the date
281 and hour of the hearing to show cause, if any they can, why the
282 proposed authority should not be organized and established as set
283 forth in the resolution of the DeSoto County Board of Supervisors.

284 If on the day set for hearing there is no written objection
285 filed to the formation authority, a decree approving the validity
286 of the formation of the authority shall be entered by the
287 chancellor, and if the chancellor be not present, the clerk shall
288 forward him the decree as prepared by the DeSoto County Board of
289 Supervisors board attorney for his signature, and shall enter the
290 decree upon his minutes in vacation. If no written objection has
291 been filed as to the formation of the authority then the
292 validation decree shall be final and forever conclusive from its
293 date, and no appeal whatever shall lie therefrom.

294 If at the time of hearing, any taxpayers, qualified electors
295 of the proposed metropolitan area plan or other persons interested
296 appear and file, or have filed written objection to the formation

297 of the authority, then the chancellor, or the DeSoto County
298 Chancery Court Clerk if the chancellor be not present, shall set
299 the case over for another day convenient to the chancellor, not
300 less than ten (10) days thereafter, and shall notify the DeSoto
301 County Board of Supervisors board attorney to appear and attend
302 the hearing. At the hearing, the chancellor may hear additional
303 competent, relevant and material evidence as the chancellor, in
304 his discretion, deems necessary, pursuant to the applicable rules
305 to such evidence in the chancery court, so as to inquire into the
306 validity of the formation of the authority, and enter a decree in
307 accordance with his findings.

308 (10) When so organized, the authority shall have the power
309 to sue and be sued, provided that the authority shall not be
310 liable and shall be immune from suit at law or in the equity on
311 account of any wrongful or tortious act or omission, including
312 libel, slander or defamation, by it, or any such act or omission
313 by any employee of the authority, subject to and in accordance
314 with the provisions of Sections 11-46-1 through 11-46-19.

315 (11) Upon proper petition to the Chancery Court of DeSoto
316 County, by the board of directors of the authority, the
317 metropolitan area of the authority may be expanded or enlarged at
318 any time by decree of the Chancery Court of DeSoto County, if
319 after timely publication of notice and a hearing held before the
320 chancellor, in the manner provided in this section, the chancellor
321 shall render a decree finding that the public necessity requires
322 such expansion.

323 SECTION 4. All powers of the authority shall be exercised by
324 a board of directors consisting of seven (7) members, to be
325 selected and composed as follows:

326 (a) The governing body of each member agency of the
327 authority shall appoint one (1) person to serve on the board of
328 directors of the authority, with no more than five (5) persons
329 being appointed by said member agencies. Further, the DeSoto

330 County Board of Supervisors shall appoint that number of persons
331 necessary to fill the board of directors should less than five (5)
332 be appointed by the member agencies, however, there shall be at
333 all times a minimum of two (2) at-large members appointed by the
334 DeSoto County Board of Supervisors.

335 (b) Upon their initial appointment, one (1) of the
336 directors shall be appointed for a term of one (1) year; one (1)
337 of the directors shall be appointed for a term of two (2) years;
338 one (1) of the directors shall be appointed for a term of three
339 (3) years; one (1) of the directors shall be appointed for a term
340 of four (4) years; one (1) of the directors shall be appointed for
341 a term of five (5) years. Additionally, of those appointees
342 designated as at-large appointees by the DeSoto County Board of
343 Supervisors, one (1) of the at-large directors shall be appointed
344 for a term of two (2) years; and one (1) of the at-large directors
345 shall be appointed for a term of four (4) years. Any vacancy
346 arising by the expiration of a director's term, or a vacancy
347 created by the removal of a director for any other reason, shall
348 be filled by appointment made by the party originally responsible
349 for the appointment of the director vacating his or her
350 appointment.

351 (c) Notwithstanding the appointive authority herein
352 granted to the DeSoto County Board of Supervisors, its legal and
353 actual responsibilities, authority and function, subsequent to the
354 creation of the authority, shall be specifically limited to such
355 appointive function and responsibilities.

356 (d) The operation, management, abolition, or
357 dissolution of the authority, and all such other matters in
358 connection therewith, shall be vested solely and only in the board
359 of directors to the specific exclusion of the DeSoto County Board
360 of Supervisors, and the operation, management, abolition, or
361 dissolution of the authority shall be accomplished only by the
362 authority of the board of directors.

363 (e) The board of directors of the authority shall
364 annually elect from its number a president and vice president of
365 the district and such other officers as, in the judgment of the
366 board, are necessary. The president shall be the chief executive
367 officer of the authority and the presiding officer of the board,
368 and shall have the same right to vote as any other director. The
369 vice president shall perform all duties and exercise all powers
370 conferred by this act upon the president when the president is
371 absent or fails or declines to act, except the president's right
372 to vote. The board shall also appoint a secretary and a treasurer
373 who may or may not be members of the board, and it may combine
374 those offices. The treasurer shall give bond in the sum of not
375 less than Fifty Thousand Dollars (\$50,000.00) as set by the board
376 of directors, and each director may be required to give bond in
377 the sum of not less than Ten Thousand Dollars (\$10,000.00), with
378 sureties qualified to do business in this state, and the premiums
379 on said bonds shall be an expense of such authority. Each such
380 bond shall be payable to the State of Mississippi; the condition
381 of each such bond shall be that the treasurer or director will
382 faithfully perform all duties of his office and account for all
383 money or other assets which shall come into his custody as
384 treasurer or director of the authority.

385 (f) The members of the board of directors of the
386 authority shall serve without salary, but shall be entitled to
387 receive per diem pay as provided for in Section 25-3-69. Further,
388 they shall be reimbursed their actual travel and hotel expenses as
389 provided in Section 25-3-41, incurred while in the performance of
390 their duties as members of the board of directors of the
391 authority, to be paid on an itemized statement approved by the
392 Department of Finance and Administration. Expenses shall be paid
393 from the available funds of the authority.

394 SECTION 5. (1) Except as may otherwise be provided for in
395 this act, all business of the authority shall be transacted by

396 vote of the board of directors.

397 (2) Except as provided in Section 4 and Section 10, all
398 business of the authority shall be transacted by a simple majority
399 affirmative vote of the total membership of the board of
400 directors and by a concurrent vote of the directors representing
401 the simple majority of the total flowage usage of the treatment
402 systems of the authority during the preceding fiscal year. The
403 quorum for any meeting of the board of directors shall be a simple
404 majority of the total membership of the board of directors and the
405 presence of directors representing a simple majority of the
406 proportional use of the treatment systems of the authority during
407 the fiscal year.

408 SECTION 6. (1) The authority is authorized and empowered to
409 acquire trunk lines; to acquire, construct, improve, enlarge,
410 extend, repair, operate and maintain one or more of its systems
411 used for the collection, transportation, treatment and treatment
412 of waste, sewerage and wastewater; and to make contracts with any
413 person in furtherance thereof; and to make contracts with any
414 person, under the terms of which the authority, within its
415 designated metropolitan area, will collect, transport, treat or
416 dispose of waste, sewerage and wastewater for such person. The
417 authority may also enter into contracts with any person to design
418 and construct any waste, sewerage or wastewater, treatment
419 systems, or any other of its treatment facilities or systems and
420 thereafter to purchase, lease or sell, by installments over such
421 terms as may be deemed desirable, reasonable and necessary, or
422 otherwise, any such system or systems. The authority is
423 authorized to enter into operating agreements with any person, for
424 such terms and upon such conditions as may be deemed desirable,
425 for the operation of any waste, sewerage or wastewater, treatment
426 systems, or other of its treatment facilities or systems; and the
427 authority may lease to or from any person, for such term and upon
428 such conditions as may be deemed desirable, any waste, sewerage or

429 wastewater, collection, transportation, treatment, or its other
430 treatment facilities or systems. Any such contract may contain
431 provisions requiring any public agency or other person to regulate
432 the quality and strength of materials to be handled by the
433 respective treatment system or systems and may also provide that
434 the authority shall have the right to use any streets, alleys and
435 public ways and places within the jurisdiction of a public agency
436 or other person during the term of the contract.

437 (2) The authority shall have the duty and responsibility to
438 exercise general supervision over the design, construction,
439 operation and maintenance of waste, sewerage or wastewater
440 treatment systems; to adopt rules governing the design,
441 construction or installation, operation and maintenance of waste,
442 sewerage or wastewater treatment systems; to adopt rules
443 establishing performance standards for waste, sewerage or
444 wastewater treatment systems and rules concerning the operation
445 and maintenance of the same. Such rules and regulations may
446 include the implementation of a standard application form for the
447 installation, operation and maintenance of such treatment systems;
448 application review; approval or denial procedures for any proposed
449 system; inspection, monitoring, and reporting guidelines; and
450 enforcement procedures.

451 (3) No owner, lessee or developer shall construct or place a
452 residence, building, facility or development which may require the
453 installation of a waste, sewerage or wastewater treatment system,
454 without having first submitted a notice of intent to the
455 authority. Upon receipt of the notice of intent, the board of
456 directors shall provide the party giving notice with complete
457 information regarding the rules, regulations and guidelines for
458 the design, construction, installation, operation and maintenance
459 of waste, sewerage and wastewater treatment systems. No waste,
460 sewerage or wastewater treatment systems shall be installed
461 without proof of the submission of the notice of intent required

462 by this section and the approval of the same by the board of
463 directors.

464 (4) Within ten (10) working days following the receipt of a
465 notice of intent and plot plan, as applicable, by an owner, lessee
466 or developer, of any lot or tract of land, the board of directors
467 shall make recommendations to the owner, lessor or developer as to
468 the type or types of systems suitable for installation and
469 compatible with the existing treatment systems of the authority.
470 Approval by the board of directors of any system is required by
471 the installation, operation or maintenance of any system, and no
472 person shall design, construct or install a system that does not
473 comply with this act, however, the board of directors may grant
474 variances from the requirements of this act as deemed necessary
475 and appropriate. Any person responsible for the design,
476 construction or installation of a system shall sign and file with
477 the authority an affidavit that the system complies with this act.

478 (5) Nothing in this act shall preclude a professional
479 engineer from providing services for the design, construction or
480 installation of any waste, sewerage and wastewater treatment
481 systems. However, any such engineer shall notify the authority in
482 writing of those services provided and shall stamp the appropriate
483 documentation with that professional's seal certifying the
484 approval of the board of directors of the design, construction and
485 installation.

486 (6) Any system of any municipality, public agency or other
487 persons which becomes connected with, or tied into, the treatment
488 systems of the authority, shall become the property of the
489 authority and shall be subject to its control and the terms of
490 this act. The possession and ownership of any system connecting
491 with, or tying into, the systems of the authority, shall transfer
492 to the authority, without the necessity of eminent domain action,
493 or other action. Each municipality, public agency or other person
494 is deemed to have waived the necessity of any eminent domain

495 action upon the connecting with, or tying into, of its systems
496 with the systems of the authority.

497 SECTION 7. The authority, through its board of directors, in
498 addition to any and all powers now or hereafter granted to it, is
499 hereby empowered:

500 (a) To develop and maintain long-range planning for
501 collection and treatment systems of waste, sewerage, wastewater
502 and groundwater from within the metropolitan area and for
503 pollution abatement.

504 (b) To acquire by condemnation or otherwise and to own,
505 maintain, use, operate and convey or otherwise dispose of any and
506 all property of any kind, real, personal or mixed, or any interest
507 therein within or without the boundaries of its designated
508 metropolitan area necessary or convenient to the exercise of the
509 purposes of and the powers granted herein and by Sections
510 21-27-161 through 21-27-191, being the Metropolitan Area Waste
511 Treatment Act, unless any of the foregoing is otherwise prohibited
512 under this act. However, in acquiring lands by condemnation or
513 otherwise, the authority shall not acquire the rights to any lands
514 of a municipality without the consent of such municipality.

515 (c) In the event that the authority is not able to
516 exercise its eminent domain powers for any reason as set forth in
517 Section 7(b), any municipality, public agency or other person
518 being a member agency, or being connected with, or tied into, the
519 treatment systems of the collection, transportation and treatment
520 agrees to use its respective eminent domain powers for the benefit
521 of the authority to acquire such property, easements,
522 rights-of-way and other property interests as may be required and
523 requested by the board of directors.

524 (d) For the purposes of this act, the right of eminent
525 domain of the authority shall be superior and dominant to the
526 right of eminent domain of any municipality, railroad, telephone,
527 telegraph, gas, power and other companies or corporations, or

528 other persons as defined in Section 2(k) of this act.

529 The amount and character of interest in land, other property,
530 and easements thus to be acquired shall be determined by the board
531 of directors, and their determination shall be conclusive and
532 shall not be subject to attack in the absence of manifold abuse of
533 discretion or fraud on the part of such board in making such
534 determination. However:

535 (i) In acquiring lands, either by negotiation,
536 eminent domain or condemnation, the authority shall not acquire
537 mineral rights or royalties, provided that sand and gravel shall
538 not be considered as minerals within the meaning of this section;

539 (ii) No person or persons owning the drilling
540 rights or the right to share in production shall be prevented from
541 exploring, developing or producing oil or gas with necessary
542 rights-of-way for ingress and egress, pipelines and other means of
543 transporting such interests on any land or interest thereon of the
544 authority held or used for the purposes of this act, but any such
545 activities shall be subject to and secondary to such reasonable
546 regulations by the board of directors as will adequately protect
547 the systems of the authority contemplated by this act; and

548 (iii) In acquiring lands, either by negotiation,
549 eminent domain or condemnation, the authority shall acquire only
550 any interest or rights in such facilities, components and systems
551 which are part of the regional plan implemented by the authority.

552 (e) To acquire the necessary relocation or rerouting of
553 roads and highways, railroad, telephone and telegraph lines and
554 properties, electric power lines, gas pipelines and related
555 facilities, or to require the anchoring or other protection of any
556 of these, provided fair compensation is first paid to the owners
557 thereof or agreement is had with such owners regarding the payment
558 of the cost of such relocation, and to acquire easements or
559 rights-of-way for such relocation or rerouting and to convey the
560 same to the owners of the property being relocated or rerouted in

561 connection with the purpose of this act.

562 (f) To enter into contracts with any person or any
563 public agency, including, but not limited to, contracts authorized
564 by Section 8 of this act, in furtherance of any of the purposes
565 authorized by this act upon such consideration as the board of
566 directors and such person may agree. Any such contract may extend
567 over any period of time, notwithstanding any provision or rule of
568 law to the contrary; may be upon such terms as the parties thereto
569 shall agree; and may provide that it shall continue in effect
570 until bonds specified therein, refunding bonds issued in lieu of
571 such bonds, and all other obligations specified therein are paid
572 or terminated. Any such contract shall be binding upon the
573 parties thereto according to its terms.

574 (g) To make and enforce, and from time to time amend
575 and repeal, bylaws and rules and regulations for the management of
576 its business and affairs and for the construction, use,
577 maintenance and operation of any of the systems under its
578 management and control and any other of its properties.

579 (h) To employ staff and other personnel, including
580 attorneys, engineers and consultants as may be necessary to the
581 functioning of the authority. The board of directors, in its
582 discretion, may employ a general manager having the authority to
583 employ and fire employees of the authority.

584 (i) To apply for, accept and utilize grants and other
585 funds from any source for any purpose necessary in support of the
586 purpose of this act.

587 (j) To establish and maintain rates and charges for the
588 use of the services of such of the systems and facilities within
589 the control of the authority, and within the metropolitan area,
590 and from time to time to adjust such rates, to the end that the
591 revenues therefrom will be sufficient at all times to pay the
592 expenses of operating and maintaining such of its works,
593 facilities and treatment systems and all of the municipality's

594 obligations under any contract or bond resolution with respect
595 thereto.

596 (k) To adopt rules and regulations necessary to carry
597 out the implementation of the metropolitan area plan and to assure
598 the payment of each participating person or public agency of its
599 proportionate share of the costs for use of any of the systems and
600 facilities of the authority.

601 (l) To refuse to receive waste from any public agency
602 or subdivision thereof not currently using any system and which
603 may be acquired or within the control of the authority, or any
604 other person that does not comply with the provisions of the
605 metropolitan area plan applicable to the particular area within
606 which such public agency or subdivision thereof or any other
607 person is located.

608 (m) To accept industrial waste for treatment and to
609 require the pretreatment of same when within the opinion of the
610 authority such pretreatment is necessary.

611 (n) To adopt all necessary and reasonable rules and
612 regulations to carry out and effectuate any waste treatment
613 systems or treatment system control plan of the authority as
614 adopted for the metropolitan area, as contractually authorized.

615 (o) So long as any indebtedness on the systems of the
616 authority remains outstanding, to require by contract with a
617 public agency, or other person, that all waste within the
618 metropolitan area be disposed of through the appropriate treatment
619 system which comprise a part of the metropolitan area plan, to the
620 extent that the same may be available, but no public agency shall
621 be precluded from constructing, operating and maintaining its own
622 such system after the current indebtedness owing on the system as
623 of the effective date of this act is paid in full.

624 (p) The authority shall not control or operate as part
625 of its authority the local retail wastewater and sewerage services
626 and shall not provide or be responsible for direct servicing of

627 said services to any residences, businesses and individuals.

628 SECTION 8. (1) Any public agency, pursuant to a duly
629 adopted resolution of the governing authority of such public
630 agency, may enter into contracts with the authority under the
631 terms of which the authority, within its designated metropolitan
632 area, will manage, operate, and contract for usage of its
633 treatment systems and treatment facilities, or other services, for
634 such person or public agency. Any public agency may also enter
635 into contracts with the authority for the authority to purchase or
636 sell, by installments over such terms as may be deemed desirable,
637 or otherwise, to any person any treatment systems. Any public
638 agency is authorized to enter into operating agreements with the
639 authority, for such terms and upon such conditions as may be
640 deemed desirable, for the operation of any of its treatment
641 systems of any person by the authority or by any person
642 contracting with the authority to operate such treatment systems;
643 and any public agency may lease to or from the authority, for such
644 term and upon such conditions as may be deemed desirable, any of
645 its treatment systems. Any such contract may contain provisions
646 requiring any public agency or other person to regulate the
647 quality and strength of the material to be handled by the waste,
648 wastewater, or sewage systems and may also provide that the
649 authority shall have the right to use any streets, alleys and
650 public ways and places within the jurisdiction of a public agency
651 or other person during the term of the contract. Such contracts
652 may obligate the public agency to make payments to the authority
653 or to a trustee in amounts which shall be sufficient to enable the
654 authority to defray the expenses of administering, operating and
655 maintaining its respective systems, to pay interest and principal
656 (whether at maturity upon redemption or otherwise) on bonds of the
657 authority, issued under this act and to fund reserves for debt
658 service, for operation and maintenance and for renewals and
659 replacements, and to fulfill the requirements of any rate covenant

660 with respect to debt service coverage contained in any resolution,
661 trust indenture or other security agreement relating to the bonds
662 of the authority issued under this act. Any public agency shall
663 have the power to enter into such contracts with the authority as
664 in the discretion of the governing authorities of the agency would
665 be in the best interest of the agency. Such contracts may include
666 a pledge of the full faith and credit of such public agency and/or
667 the avails of any special assessments made by such public agency
668 against property receiving benefits, as now or hereafter is
669 provided by law. Any such contract may provide for the sale, or
670 lease to, or use of by the authority, of the systems or any part
671 thereof, of the public agency; and may provide that the authority
672 shall operate its systems or any part thereof of the public
673 agency; and may provide that any public agency shall have the
674 right to continued use and/or priority use of the systems or any
675 part thereof during the useful life thereof upon payment of
676 reasonable charges therefor; and may contain provisions to assure
677 equitable treatment of persons or public agencies who contract
678 with the authority under this act; and may contain such other
679 provisions and requirements as the parties thereto may determine
680 to be appropriate or necessary. Such contracts may extend over
681 any period of time, notwithstanding any provisions of law to the
682 contrary, and may extend beyond the life of the respective systems
683 or any part thereof or the term of the bonds sold with respect to
684 such facilities or improvements thereto.

685 (2) The obligations of a public agency arising under the
686 terms of any contract referred to in this act, whether or not
687 payable solely from a pledge of revenues, shall not be included
688 within the indebtedness limitations of the public agency for
689 purposes of any constitutional or statutory limitation or
690 provision. To the extent provided in such contract and to the
691 extent such obligations of the public agency are payable wholly or
692 in part from the revenues and other monies derived by the public

693 agency from the operation of its treatment systems or of its
694 combined treatment systems, waterworks and water supply systems or
695 any part thereof, such obligations shall be treated as expenses of
696 operating such systems.

697 (3) Contracts referred to in this section may also provide
698 for payments in the form of contributions to defray the cost of
699 any purpose set forth in the contracts and as advances for the
700 respective systems or any part thereof subject to repayment by the
701 authority. A public agency may make such contributions or
702 advances from its general fund or surplus fund or from special
703 assessments or from any monies legally available therefor.

704 (4) Payments made, or to be made, to the authority by a
705 public agency or other person under a contract for any of its
706 treatment systems, or any part thereof, shall not be subject to
707 approval or review by the Mississippi Public Service Commission.

708 (5) Subject to the terms of a contract or contracts referred
709 to in this act, the authority is hereby authorized to do and
710 perform any and all acts or things necessary, convenient or
711 desirable to carry out the purposes of such contracts, including
712 the fixing, charging, collecting, maintaining and revising of
713 rates, fees and other charges for the services rendered to any
714 user of any of the systems operated or maintained by the
715 authority, whether or not such systems are owned by the authority.

716 (6) No provision of this act shall be construed to prohibit
717 any public agency, otherwise permitted by law to issue bonds, from
718 issuing bonds in the manner provided by law for the construction,
719 renovation, repair or development of any of the authority's
720 treatment systems, or any part thereof, owned or operated by such
721 public agency.

722 SECTION 9. Whenever a public agency shall have executed a
723 contract under this act and the payments thereunder are to be made
724 either wholly or partly from the revenues of the public agency's
725 treatment systems, or any part thereof, or a combination of such

726 systems, the duty is hereby imposed on the public agency to
727 establish and maintain and from time to time to adjust the rates
728 charged by the public agency for the services of such treatment
729 systems, so that the revenues therefrom together with any taxes
730 and special assessments levied in support thereof will be
731 sufficient at all times to pay: (a) the expense of operating and
732 maintaining such treatment systems including all of the public
733 agency's obligations to the authority, its successors or assigns
734 under such contract; and (b) all of the public agency's
735 obligations under and in connection with revenue bonds theretofore
736 issued, or which may be issued thereafter and secured by the
737 revenues of such treatment systems. Any such contract may require
738 the use of consulting engineers and financial experts to advise
739 the public agency whether and when such rates are to be adjusted.

740 SECTION 10. (1) The DeSoto County Regional Utility
741 Authority shall have the power and is hereby authorized, from time
742 to time, to borrow money and to issue revenue bonds in such
743 principal amounts, up to a maximum amount of Forty Million Dollars
744 (\$40,000,000.00), as the DeSoto County Regional Utility Authority
745 may determine to be necessary to provide sufficient funds for
746 achieving the purposes of this act, including, (a) defraying the
747 cost of the acquisition of trunk lines and the acquisition,
748 construction, improvement, repair or extension of its treatment
749 systems, or any part thereof, whether or not such facilities are
750 owned by the authority; (b) the payment of interest on bonds of
751 the authority issued under this act; (c) establishing reserves to
752 secure such bonds and payment of the interest thereon; (d) paying
753 expenses incident to the issuance of such bonds and to the
754 implementation of the authority's systems, and all other
755 expenditures of the authority incident to or necessary or
756 convenient to carry out the purposes of this act.

757 (2) Before issuing bonds (other than interim notes or
758 refunding bonds as provided in Section 11 of this act) hereunder,

759 the board of directors of the authority first shall hold a public
760 hearing before the governing authorities of each affected public
761 agency with due notice of the time, date and place of said hearing
762 published in a newspaper of general circulation in each said
763 public agency. Upon an affirmative vote of the board of directors
764 approving the resolution of intent, the board of directors shall
765 adopt a resolution declaring its intention to issue such bonds and
766 stating the maximum principal amount of bonds proposed to be
767 issued, a general generic description of the proposed improvements
768 and the proposed location thereof and the date, time and place at
769 which the board of directors proposes to take further action with
770 respect to the issuance of such bonds. The board of directors
771 then shall cause the resolution of intent to be published once a
772 week for at least three (3) consecutive weeks in at least one (1)
773 newspaper having a general circulation within the geographical
774 limits of all of the public agencies: (a) which have contracted
775 with the authority pursuant to this act; and (b) whose contracts
776 relate to the bonds proposed to be issued.

777 Each member agency which meets all of the criteria set forth
778 in paragraphs (a) and (b) of this subsection is hereinafter
779 referred to as an "affected member agency," and, together with
780 other such agencies, collectively referred to as the "affected
781 member agencies."

782 If no newspaper has a general circulation within the
783 geographical limits of all of the affected member agencies, then
784 such resolution shall be published in as many different newspapers
785 as may be required to provide general circulation of the
786 publication of such resolution within the geographical limits of
787 each affected member agency. If no newspaper has a general
788 circulation within the geographical limits of any particular
789 affected member agency, then notice in such affected member agency
790 shall be made by posting a copy of such resolution for at least
791 twenty-one (21) days next preceding the date therein at two (2)

792 public places within the geographical limits of such member
793 agency. The first publication of such resolution shall be made
794 not less than twenty-one (21) days before the date fixed in such
795 resolution to direct the issuance of the bonds and the last
796 publication shall be made not more than seven (7) days before such
797 date. If twenty percent (20%) of the qualified electors residing
798 in the authority or one thousand five hundred (1,500), whichever
799 is less, shall file a written protest against the issuance of such
800 bonds on or before the date specified in such resolution, then an
801 election on the question of the issuance of such bonds shall be
802 called and held as herein provided. If no such protest be filed,
803 then such bonds may be issued without an election on the question
804 of the issuance thereof at any time within a period of two (2)
805 years after the date specified in the above-mentioned resolution.

806 Where an election is to be called, notice of such election shall
807 be signed by the president of the board of directors, and shall be
808 published once a week for at least three (3) consecutive weeks in
809 the same manner as publication of the resolution. The first
810 publication of such notice shall be made not less than twenty-one
811 (21) days before the date fixed for such election and the last
812 publication shall be made not more than seven (7) days before such
813 date. The election shall be conducted by the election
814 commissioners of the county in which the authority is located.
815 The election shall be held, as far as is practicable, in the same
816 manner as other county special elections are held in the county
817 where the authority is located. At the election, all qualified
818 electors residing in the authority may vote, and the ballots used
819 at such election shall have printed thereon a brief statement of
820 the amount and purpose of the proposed bond issue and the words
821 "FOR THE BOND ISSUE" and "AGAINST THE BOND ISSUE," and the voter
822 shall vote by placing a cross (X) opposite his choice on the
823 proposition. When the results of the election on the question of
824 the issuance of such bonds shall have been canvassed by the

825 election commissioners of the county, in which the authority is
826 located, and certified by them to the board of directors of the
827 authority, it shall be the duty of the board of directors of the
828 authority to determine and adjudicate whether or not a majority of
829 the qualified electors who voted thereon in such election voted in
830 favor of the issuance of such bonds, and unless a majority of the
831 qualified electors who voted thereon in such election shall have
832 voted in favor of the issuance of such bonds, then such bonds
833 shall not be issued. Should a majority of the qualified electors
834 who vote thereon in such election vote in favor of the issuance of
835 such bonds, then the board of directors may issue such bonds,
836 either in whole or in part, within two (2) years after the date of
837 the election or the date of the final favorable termination of any
838 litigation affecting the issuance of such bonds.

839 (3) Bonds of the authority issued under this act shall be
840 payable from and secured by a pledge of all or any part of the
841 revenues under any contract entered into pursuant to this act and
842 from all or any part of the revenues derived from the operation of
843 the treatment systems, or any part thereof, and any other monies
844 legally available therefor, as may be determined by the authority,
845 subject only to any agreement with the purchasers of the bonds.
846 Such bonds may be further secured by a trust indenture between the
847 authority and a corporate trustee, which may be any trust company
848 or bank having powers of a trust company without or within the
849 state.

850 (4) Bonds of the authority issued under this act shall be
851 authorized by a resolution or resolutions adopted by the board of
852 directors of the authority. Such bonds shall bear such date or
853 dates, mature at such time or times, bear interest at such rate or
854 rates (not exceeding the maximum rate set out in Section
855 75-17-103), be in such denomination or denominations, be in such
856 form, carry such conversion privileges, have such rank or
857 priority, be executed in such manner and by such officers, be

858 payable from such sources in such medium of payment at such place
859 or places within or without the state, provided that one (1) such
860 place shall be within the state, and be subject to such terms of
861 redemption prior to maturity, all as may be provided by resolution
862 or resolutions of the board of directors.

863 (5) Bonds of the authority issued under this act may be sold
864 at such price or prices, at public or private sale, in such manner
865 and at such times as may be determined by the authority to be in
866 the public interest, and the authority may pay all expenses,
867 premiums, fees and commissions which it may deem necessary and
868 advantageous in connection with the issuance and sale thereof.

869 (6) Any pledge of earnings, revenues or other monies made by
870 the authority shall be valid and binding from the time the pledge
871 is made. The earnings, revenues or other monies so pledged and
872 thereafter received by the authority shall immediately be subject
873 to the lien of such pledge without any physical delivery thereof
874 or further act, and the lien of any such pledge shall be valid and
875 binding as against all parties having claims of any kind in tort,
876 contract or otherwise against the authority irrespective of
877 whether such parties have notice thereof. Neither the resolution
878 nor any other instrument by which a pledge is created need be
879 recorded.

880 (7) Neither the members of the board of directors nor any
881 person executing the bonds shall be personally liable on the bonds
882 or be subject to any personal liability or accountability by
883 reason of the issuance thereof.

884 (8) Proceeds from the sale of bonds of the authority may be
885 invested, pending their use, in such securities as may be
886 specified in the resolution authorizing the issuance of the bonds
887 or the trust indenture securing them, and the earnings on such
888 investments applied as provided in such resolution or trust
889 indenture.

890 (9) Whenever any bonds shall have been signed by the

891 officer(s) designated by the resolution of the board of directors
892 to sign the bonds, who were in office at the time of such signing,
893 but who may have ceased to be such officer(s) prior to the sale
894 and delivery of such bonds, or who may not have been in office on
895 the date such bonds may bear, the manual or facsimile signatures
896 of such officer(s) upon such bonds shall nevertheless be valid and
897 sufficient for all purposes and have the same effect as if the
898 person so officially executing such bonds had remained in office
899 until the delivery of the same to the purchaser or had been in
900 office on the date such bonds may bear.

901 SECTION 11. The authority may, by resolution adopted by its
902 board of directors, issue refunding bonds for the purpose of
903 paying any of its bonds at or prior to maturity or upon
904 acceleration or redemption. Refunding bonds may be issued at such
905 time prior to the maturity or redemption of the refunded bonds as
906 the board of directors deems to be in the public interest, without
907 an election on the question of the issuance thereof. The
908 refunding bonds may be issued in sufficient amounts to pay or
909 provide the principal of the bonds being refunded, together with
910 any redemption premium thereon, any interest accrued or to accrue
911 to the date of payment of such bonds, the expenses of issue of the
912 refunding bonds, the expenses of redeeming the bonds being
913 refunded, and such reserves for debt service or other capital or
914 current expenses from the proceeds of such refunding bonds as may
915 be required by the resolution, trust indenture or other security
916 instruments. The issue of refunding bonds, the maturities and
917 other details thereof, the security therefor, the rights of the
918 holders and the rights, duties and obligations of the authority in
919 respect to the same shall be governed by the provisions of this
920 act relating to the issue of bonds other than refunding bonds
921 insofar as the same may be applicable. Any such refunding may be
922 effected, whether the obligations to be refunded shall have then
923 matured or shall thereafter mature, either by the exchange of the

924 refunding bonds for the obligations to be refunded thereby with
925 the consent of the holders of the obligations so to be refunded,
926 or by sale of the refunding bonds and the application of the
927 proceeds thereof to the payment of the obligations proposed to be
928 refunded thereby, and regardless of whether the obligations
929 proposed to be refunded shall be payable on the same date or
930 different dates or shall be due serially or otherwise.

931 SECTION 12. All bonds (other than refunding bonds, interim
932 notes and certificates of indebtedness, which may be validated)
933 issued pursuant to this act shall be validated as now provided by
934 law in Sections 31-13-1 through 31-13-11, which constitute the
935 Validation of Public Bonds Act, except that notice of such
936 validation proceedings shall be addressed to the taxpayers of the
937 respective member agencies (a) which have contracted with the
938 authority under this act, and (b) whose contracts, and the
939 payments to be made by the public agencies thereunder, constitute
940 security for the bonds of the authority proposed to be issued.
941 Such notice shall be published at least once in a newspaper or
942 newspapers having a general circulation within the geographical
943 boundaries of each of the member agencies to whose taxpayers the
944 notice is addressed. Such validation proceedings shall be
945 instituted in the Chancery Court of DeSoto County. The validity
946 of the bonds so validated, and of the contracts and payments to be
947 made by the public agencies, thereunder constituting security for
948 the bonds, shall be forever conclusive against the authority and
949 the public agencies which are parties to said contracts; and the
950 validity of said bonds and said contracts and the payments to be
951 made thereunder shall never be called in question in any court in
952 this state.

953 SECTION 13. Bonds issued under the provisions of this act
954 shall be payable solely from the revenues or assets of the
955 authority pledged therefor. Each bond issued under this act shall
956 contain on the face thereof a statement to the effect that the

957 authority shall not be obligated to pay the same nor the interest
958 thereon except from the revenues or assets pledged therefor.

959 SECTION 14. The authority shall have power in connection
960 with the issuance of its bonds to:

961 (a) Covenant as to the use of any or all of its
962 property, real or personal.

963 (b) Redeem the bonds, to covenant for their redemption
964 and to provide the terms and conditions thereof.

965 (c) Covenant to charge rates, fees and charges
966 sufficient to meet operating and maintenance expenses, renewals
967 and replacements, principal and debt service on bonds, creation
968 and maintenance of any reserves required by a bond resolution,
969 trust indenture or other security instrument and to provide for
970 any margins or coverages over and above debt service on the bonds
971 deemed desirable for the marketability of the bonds.

972 (d) Covenant and prescribe as to events of default and
973 terms and conditions upon which any or all of its bonds shall
974 become or may be declared due before maturity, as to the terms and
975 conditions upon which such declaration and its consequences may be
976 waived and as to the consequences of default and the remedies of
977 the registered owners of the bonds.

978 (e) Covenant as to the mortgage or pledge of or the
979 grant of a security interest in any real or personal property and
980 all or any part of the revenues from any treatment systems, or any
981 part thereof, or any revenue-producing contract or contracts made
982 by the authority with any person to secure the payment of bonds,
983 subject to such agreements with the registered owners of bonds as
984 may then exist.

985 (f) Covenant as to the custody, collection, securing,
986 investment and payment of any revenues, assets, monies, funds or
987 property with respect to which the authority may have any rights
988 or interest.

989 (g) Covenant as to the purposes to which the proceeds

990 from the sale of any bonds then or thereafter to be issued may be
991 applied, and the pledge of such proceeds to secure the payment of
992 the bonds.

993 (h) Covenant as to the limitations on the issuance of
994 any additional bonds, the terms upon which additional bonds may be
995 issued and secured, and the refunding of outstanding bonds.

996 (i) Covenant as to the rank or priority of any bonds
997 with respect to any lien or security.

998 (j) Covenant as to the procedure by which the terms of
999 any contract with or for the benefit of the registered owners of
1000 bonds may be amended or abrogated, the amount of bonds the
1001 registered owners of which must consent thereto, and the manner in
1002 which such consent may be given.

1003 (k) Covenant as to the custody of any of its properties
1004 or investments, the safekeeping thereof, the insurance to be
1005 carried thereon, and the use and disposition of insurance
1006 proceeds.

1007 (l) Covenant as to the vesting in a trustee or
1008 trustees, within or outside the state, of such properties, rights,
1009 powers and duties in trust as the authority may determine.

1010 (m) Covenant as to the appointing and providing for the
1011 duties and obligations of a paying agent or paying agents or other
1012 fiduciaries within or outside the state.

1013 (n) Make all other covenants and to do any and all such
1014 acts and things as may be necessary or convenient or desirable in
1015 order to secure its bonds, or in the absolute discretion of the
1016 district tend to make the bonds more marketable, notwithstanding
1017 that such covenants, acts or things may not be enumerated herein;
1018 it being the intention hereof to give the authority the power to
1019 do all things in the issuance of bonds and in the provisions for
1020 security thereof which are not inconsistent with the Constitution
1021 of this state.

1022 (o) Execute all instruments necessary or convenient in

1023 the exercise of the powers herein granted or in the performance of
1024 covenants or duties, which may contain such covenants and
1025 provisions, as any purchaser of the bonds of the authority may
1026 reasonably require.

1027 SECTION 15. For the purposes of satisfying any temporary
1028 cash flow demands and deficiencies, and to maintain a working
1029 balance for the authority, the DeSoto County Board of Supervisors,
1030 or other persons as defined in Section 2(k) of this act, subject
1031 to their lawful authority to do so, are authorized to advance, at
1032 any time, such funds which, in its discretion, are necessary, or
1033 borrow such funds by issuance of notes, for initial capital
1034 contribution and to cover start-up costs until such times as
1035 sufficient bonds, assets and revenues have been secured to satisfy
1036 the needs of the authority for its management, operation and
1037 formation. To this end, the DeSoto County Board of Supervisors,
1038 or other persons as defined in Section 2(k) of this act, subject
1039 to their lawful authority to do so, shall advance such funds, or
1040 borrow such funds by issuance of notes, under such terms and
1041 conditions as may be provided by resolution of the DeSoto County
1042 Board of Supervisors, or other persons as defined in Section 2(k)
1043 of this act, subject to their lawful authority to do so, except
1044 that each such resolution shall state:

1045 (a) The need for the proceeds advanced or borrowed;

1046 (b) The amount to be advanced or the amount to be
1047 borrowed;

1048 (c) The maximum principal amount of any note issued,
1049 the interest rate or maximum interest rate to be incurred, and the
1050 maturity date of said note;

1051 In addition, the DeSoto County Board of Supervisors, or other
1052 persons as defined in Section 2(k) of this act, subject to their
1053 lawful authority to do so, may arrange for lines of credit with
1054 any bank, firm or person for the purpose of providing an
1055 additional source of repayment for notes issued pursuant to this

1056 section. Amounts drawn on a line of credit may be evidenced by
1057 negotiable or nonnegotiable notes or other evidences of
1058 indebtedness and contain such terms and conditions as the DeSoto
1059 County Board of Supervisors, or other persons as defined in
1060 Section 2(k) of this act, subject to their lawful authority to do
1061 so, may authorize in the resolution approving the same.

1062 The DeSoto County Board of Supervisors, or other persons as
1063 defined in Section 2(k) of this act, subject to their lawful
1064 authority to do so, may authorize the repayment of such advances,
1065 notes, lines of credit and other debt incurred under this section,
1066 along with all costs associated with the same, including, but not
1067 limited to, rating agency fees, printing costs, legal fees, bank
1068 or trust company fees, line of credit fees and other charges to be
1069 reimbursed by the authority under such terms and conditions as are
1070 reasonable and are to be provided for by resolution of the DeSoto
1071 County Board of Supervisors, or terms agreed upon with other
1072 persons as defined in Section 2(k) of this act, subject to their
1073 lawful authority to do so.

1074 SECTION 16. The authority, in any authorizing resolution of
1075 the board of directors, trust indenture or other security
1076 instrument relating to its bonds, may provide for the appointment
1077 of a trustee who shall have such powers as are provided therein to
1078 represent the registered owners of any issue of bonds in the
1079 enforcement or protection of their rights under any such
1080 resolution, trust indenture or security instrument. The authority
1081 also may provide in such resolution, trust indenture or other
1082 security instrument that the trustee, or in the event that the
1083 trustee so appointed shall fail or decline to so protect and
1084 enforce such registered owners' rights then such percentage of
1085 registered owners as shall be set forth in, and subject to the
1086 provisions of, such resolution, trust indenture or other security
1087 interest, may petition the court of proper jurisdiction for the
1088 appointment of a receiver of the authority's treatment systems for

1089 the revenues of which are pledged to the payment of the principal
1090 of and interest on the bonds of such registered owners. Such
1091 receiver may exercise any power as may be granted in any such
1092 resolution, trust indenture or security instrument to enter upon
1093 and take possession of, acquire, construct or reconstruct or
1094 operate and maintain such sewage such as the authority treatment
1095 systems fix, charge, collect, enforce and receive all revenues
1096 derived from such of the systems or facilities and perform the
1097 public duties and carry out the contracts and obligations of the
1098 authority in the same manner as the authority itself might do, all
1099 under the direction of such court.

1100 SECTION 17. (1) The exercise of the powers granted by this
1101 act will be in all respects for the benefit of the people of the
1102 State of Mississippi, for their well-being and prosperity and for
1103 the improvement of their social and economic conditions, and the
1104 authority shall not be required to pay any tax or assessment on
1105 any property owned by the authority under the provisions of this
1106 act or upon the income therefrom; nor shall the authority be
1107 required to pay any recording fee or transfer tax of any kind on
1108 account of instruments recorded by it or on its behalf.

1109 (2) Any bonds issued by the authority under the provisions
1110 of this act, and their transfer and any income derived therefrom,
1111 shall at all times be free from taxation by the state or any local
1112 unit or political subdivision or other instrumentality of the
1113 state, excepting inheritance and gift taxes.

1114 SECTION 18. All bonds issued under the provisions of this
1115 act shall be legal investments for trustees, other fiduciaries,
1116 savings banks, trust companies and insurance companies organized
1117 under the laws of the State of Mississippi; and such bonds shall
1118 be legal securities which may be deposited with and shall be
1119 received by all public officers and bodies of the state and all
1120 municipalities and other political subdivisions thereof for the
1121 purpose of securing the deposit of public funds.

1122 SECTION 19. The State of Mississippi hereby covenants with
1123 the registered owners of any bonds of the authority that so long
1124 as the bonds are outstanding and unpaid the State of Mississippi
1125 will not limit or alter the rights and powers of the authority
1126 under this act to conduct the activities referred to herein in any
1127 way pertinent to the interests of the bondholders including
1128 without limitation the authority's right to charge and collect
1129 rates, fees and charges and to fulfill the terms of any covenants
1130 made with the registered owners of the bonds, or in any other way
1131 impair the rights and remedies of the registered owners of the
1132 bonds, unless provision for full payment of such bonds, by escrow
1133 or otherwise, has been made pursuant to the terms of the bonds or
1134 the resolution, trust indenture or security interest securing the
1135 bonds.

1136 SECTION 20. The provisions of this act are cumulative to
1137 other statutes now or hereafter enacted relating to the issuance
1138 of bonds or the components which make up the authority's treatment
1139 systems and to the design, construction, acquisition or approval
1140 of facilities for such purposes, and any public agency may
1141 exercise all presently held powers in the furtherance of this act;
1142 provided that the authority may issue bonds only under the
1143 provisions of this act.

1144 SECTION 21. The Board of Supervisors of DeSoto County shall
1145 submit this act, immediately upon approval by the Governor, or
1146 upon approved by the Legislature subsequent to a veto, to the
1147 Attorney General of the United States or to the United States
1148 District Court for the District of Columbia in accordance with the
1149 provisions of the Voting Rights Act of 1965, as amended and
1150 extended.

1151 SECTION 22. This act shall take effect and be in force from
1152 and after the date that it is effectuated under Section 5 of the
1153 Voting Rights Act of 1965, as amended and extended.