

By: Representatives Miller, Robertson,  
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To: Local and Private  
Legislation; Ways and  
Means

HOUSE BILL NO. 1735  
(As Sent to Governor)

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, WATER  
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  
23 sewerage systems, sewage treatment systems, and water, wastewater  
24 and wastewater treatment systems, in order to prevent and control  
25 the pollution of the waters in this state by the creation of a  
26 DeSoto County Regional Utility Authority. This act may be cited  
27 as the "DeSoto County Regional Utility Authority Act."

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

30 (a) "Authority" means the DeSoto County Regional  
31 Utility Authority created under this act to serve the metropolitan  
32 area or a designated portion thereof, as set forth in the

33 resolution creating or expanding the authority.

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

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

40 (d) "Groundwater" means that water occurring beneath  
41 the surface of the ground.

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

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

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

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

66 (i) "Metropolitan area plan" means a comprehensive plan  
67 for sewerage systems and sewage treatment systems, wastewater and  
68 wastewater treatment systems within the metropolitan area,  
69 consistent with standards established pursuant to applicable

70 federal and state law.

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

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

83 (l) "Public agency" means any county, municipality, or  
84 persons, as are defined herein, lying wholly or partially within  
85 the metropolitan area, any state board or commission owning or  
86 operating properties within a metropolitan area, a district  
87 created pursuant to Sections 51-9-101 through 51-9-163 or Sections  
88 19-5-151 through 19-5-257, or any other political subdivision of  
89 the State of Mississippi lying wholly or partially within a  
90 metropolitan area and having the power to own and operate  
91 waterworks, water supply systems, sewerage systems, treatment  
92 facilities, sewage treatment systems, or other facilities or  
93 systems for the collection, transportation, treatment and  
94 treatment of water, sewerage and wastewater.

95 (m) "Sewage treatment system" means a system for  
96 collecting, transferring, treating and disposing of waste,  
97 including, but not limited to, sewerage systems and treatment  
98 facilities, as these terms are defined in this act.

99 (n) "Sewerage system" means pipelines or conduits,  
100 canals, pumping stations and force mains, and all other  
101 structures, devices, facilities and appliances appurtenant  
102 thereto, used for collecting or conducting waste to an ultimate

103 point for treatment.

104 (o) "Treatment facilities" means any plant, treatment  
105 field, lagoon, pumping station, constructing drainage ditch or  
106 surface water intercepting ditch, canal, incinerator, area devoted  
107 to sanitary landfills or other works not specifically mentioned  
108 herein, installed for the purpose of treating, neutralizing,  
109 stabilizing or disposing of waste or facilities to provide cooling  
110 water to collect, control and dispose of waste heat.

111 (p) "Treatment systems" means the collective or  
112 individual systems for collecting, transferring, treating and  
113 disposing of sewage, water, wastewater, and groundwater, or its  
114 particular individual substance, and including all treatment  
115 facilities, pipelines, conduits, pumping stations and all other  
116 structures, devices and appliances appurtenant thereto, including  
117 land and right-of-way thereto.

118 (q) "Wastewater" means water being disposed of by any  
119 person and which is contaminated with waste or sewage, including  
120 industrial, municipal, recreational and any other wastewater that  
121 may cause impairment of the quality of the waters in the state.

122 (r) "Water supply system" means pipelines, conduits,  
123 pumping stations and all other structures, devices and appliances  
124 appurtenant thereto, including land and right-of-way thereto, for  
125 use for transporting water to a point of ultimate use.

126 (s) "Waterworks" means all works, plants or other  
127 facilities necessary for the purpose of collecting, storing,  
128 treating and transporting water for domestic, municipal,  
129 commercial, industrial, agricultural and manufacturing purposes,  
130 including open channels.

131 SECTION 3. (1) The formation of the DeSoto County Regional  
132 Utility Authority, hereinafter referred to as the authority, shall  
133 be conducted in accordance with the provisions of this section.  
134 The DeSoto County Board of Supervisors is authorized to file a  
135 petition with the Chancery Court of DeSoto County, for approval of

136 the formation of the DeSoto County Regional Utility Authority,  
137 which may be joined in by any municipality or public agency lying  
138 wholly or partly within the metropolitan area, for the  
139 organization of the authority in this state. When organized in  
140 accordance with the provisions of this act, the authority shall be  
141 a political subdivision of the State of Mississippi and shall have  
142 the powers granted to the authority under this act.

143 (2) (a) Before the DeSoto County Board of Supervisors files  
144 its petition with the chancery court, one of the following must  
145 occur:

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

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

153 (b) The petition or resolution shall include the  
154 following:

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

157 (ii) The proposed corporate name for the district;

158 (iii) The proposed boundaries of the district;

159 (iv) An estimate of the cost of the acquisition or  
160 construction of the facilities to be operated by the district with  
161 disclosure that the estimate shall not serve as a limitation upon  
162 the financing of the creation, operation, improving upon or  
163 extending of the authority;

164 (v) A statement of whether the DeSoto County Board  
165 of Supervisors intends to levy a tax in support of the authority;  
166 and

167 (vi) A statement of whether the DeSoto County  
168 Board of Supervisors intends to make assessments in support of the

169 authority.

170 (3) Any petition for formation shall be signed in person by  
171 the petitioners, shall set forth their respective addresses, and  
172 shall be accompanied by a sworn statement that each signature is  
173 the signature of the person it purports to be and that each person  
174 so signing was at the time of signing an owner of real property  
175 within DeSoto County.

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

180 (5) A properly signed petition shall be filed with the  
181 DeSoto County Board of Supervisors. Upon the filing of the  
182 petition with the DeSoto County Board of Supervisors, or upon the  
183 approval of the DeSoto County Board of Supervisors of the  
184 appropriate resolution, the DeSoto County Board of Supervisors  
185 shall fix a time and place for a public hearing upon the question  
186 of the public convenience and necessity of the incorporation of  
187 the proposed authority. The hearing shall not be more than thirty  
188 (30) days after the filing of the petition. The date of the  
189 hearing, the place at which it shall be held, the proposed  
190 boundaries of said district, and the purpose of the hearing, shall  
191 be set forth in a notice to be signed by the clerk of the DeSoto  
192 County Board of Supervisors to be published in a newspaper having  
193 general circulation for a period of once a week for at least three  
194 (3) consecutive weeks before the date set forth for the hearing.  
195 The first such publication shall be made not less than twenty-one  
196 (21) days before the date of such hearing and the last publication  
197 shall be made not more than seven (7) days before the date of such  
198 hearing.

199 (6) Upon the public hearing, should the DeSoto County Board  
200 of Supervisors determine that the public convenience and necessity  
201 require the creation of the district, and that the creation of the

202 district is economically sound and desirable, the DeSoto County  
203 Board of Supervisors shall adopt a resolution making the aforesaid  
204 findings and declaring its intention to create the authority on a  
205 date to be specified and designating the name of the proposed  
206 district and its territorial limits. The resolution shall further  
207 state the authority of the authority to levy taxes and make  
208 assessments.

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

219 (8) If twenty percent (20%) or one thousand five hundred  
220 (1,500), whichever is less, of the qualified electors of the  
221 proposed district file a written petition with the DeSoto County  
222 Board of Supervisors on or before the date specified for the  
223 creation of the authority, protesting against the creation of such  
224 district, the DeSoto County Board of Supervisors shall call an  
225 election on the question of the creation of such district. Such  
226 election shall be held and conducted by the election commissioners  
227 of the county as nearly as practicable in accordance with the  
228 general laws governing elections, the election commissioners shall  
229 determine which of the qualified electors of such county who  
230 reside within the proposed metropolitan area plan shall be  
231 entitled to vote in such election. Notice of the election setting  
232 forth the time, place or places, and purpose of such election  
233 shall be published by the clerk of the DeSoto County Board of  
234 Supervisors, within the time periods and in the manner provided in

235 Section 3(5) of this act for the publication of the resolution of  
236 intent. The ballots to be prepared and used at the election shall  
237 be in substantially the following form:

238 FOR CREATION OF DESOTO COUNTY REGIONAL UTILITY AUTHORITY

239 DISTRICT ( )

240 AGAINST CREATION OF DESOTO COUNTY REGIONAL UTILITY AUTHORITY

241 DISTRICT ( )

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

244 If three-fifths (3/5) of those voting in the election for the  
245 creation of the authority vote in favor of the creation of the  
246 authority, the DeSoto County Board of Supervisors shall adopt a  
247 resolution creating the district as described in the resolution of  
248 intent.

249 (9) Upon adopting a resolution creating the authority, the  
250 DeSoto County Board of Supervisors shall transmit to the DeSoto  
251 County Chancery Court Clerk the resolution of the DeSoto County  
252 Board of Supervisors approving the creation of the authority, a  
253 copy of all affidavits verifying the publication of all required  
254 notices, the minutes of any hearings before the DeSoto County  
255 Board of Supervisors regarding the formation of the authority, and  
256 the results of any elections held under Section 3(8) of this act.

257 The DeSoto County Chancery Court Clerk shall then file the  
258 documents, enter them on the docket of the DeSoto County Chancery  
259 Court and promptly notify the DeSoto County Chancellor in writing  
260 that the papers are on file and the cause has been docketed. The  
261 chancellor shall then notify the chancery court clerk to set the  
262 matter for hearing at some future date, not less than ten (10)  
263 days thereafter, and the clerk shall give not less than five (5)  
264 days' notice by making at least one (1) publication in some paper  
265 published in DeSoto County, addressed to the taxpayers and  
266 qualified electors of the proposed metropolitan area plan and all  
267 other persons interested. The notice shall state the date, place

268 and time of such hearing; state that a petition has been filed to  
269 organize the DeSoto County Regional Utility Authority under the  
270 provisions of this act, describe the proposed metropolitan area,  
271 and command that any interested persons appear before the DeSoto  
272 County Chancery Court or the chancellor in vacation on the date  
273 and hour of the hearing to show cause, if any they can, why the  
274 proposed authority should not be organized and established as set  
275 forth in the resolution of the DeSoto County Board of Supervisors.

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

286 If at the time of hearing, any taxpayers, qualified electors  
287 of the proposed metropolitan area plan or other persons interested  
288 appear and file, or have filed written objection to the formation  
289 of the authority, then the chancellor, or the DeSoto County  
290 Chancery Court Clerk if the chancellor be not present, shall set  
291 the case over for another day convenient to the chancellor, not  
292 less than ten (10) days thereafter, and shall notify the DeSoto  
293 County Board of Supervisors board attorney to appear and attend  
294 the hearing. At the hearing, the chancellor may hear additional  
295 competent, relevant and material evidence as the chancellor, in  
296 his discretion, deems necessary, pursuant to the applicable rules  
297 to such evidence in the chancery court, so as to inquire into the  
298 validity of the formation of the authority, and enter a decree in  
299 accordance with his findings.

300 (10) When so organized, the authority shall have the power

301 to sue and be sued, provided that the authority shall not be  
302 liable and shall be immune from suit at law or in the equity on  
303 account of any wrongful or tortious act or omission, including  
304 libel, slander or defamation, by it, or any such act or omission  
305 by any employee of the authority, subject to and in accordance  
306 with the provisions of Sections 11-46-1 through 11-46-19.

307 (11) Upon proper petition to the Chancery Court of DeSoto  
308 County, by the board of directors of the authority, the  
309 metropolitan area of the authority may be expanded or enlarged at  
310 any time by decree of the Chancery Court of DeSoto County, if  
311 after timely publication of notice and a hearing held before the  
312 chancellor, in the manner provided in this section, the chancellor  
313 shall render a decree finding that the public necessity requires  
314 such expansion.

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

318 (a) The governing body of each member agency of the  
319 authority shall appoint one (1) person to serve on the board of  
320 directors of the authority, with no more than five (5) persons  
321 being appointed by said member agencies. Further, the DeSoto  
322 County Board of Supervisors shall appoint that number of persons  
323 necessary to fill the board of directors should less than five (5)  
324 be appointed by the member agencies, however, there shall be at  
325 all times a minimum of two (2) at-large members appointed by the  
326 DeSoto County Board of Supervisors.

327 (b) Upon their initial appointment, one (1) of the  
328 directors shall be appointed for a term of one (1) year; one (1)  
329 of the directors shall be appointed for a term of two (2) years;  
330 one (1) of the directors shall be appointed for a term of three  
331 (3) years; one (1) of the directors shall be appointed for a term  
332 of four (4) years; one (1) of the directors shall be appointed for  
333 a term of five (5) years. Additionally, of those appointees

334 designated as at-large appointees by the DeSoto County Board of  
335 Supervisors, one (1) of the at-large directors shall be appointed  
336 for a term of two (2) years; and one (1) of the at-large directors  
337 shall be appointed for a term of four (4) years. Any vacancy  
338 arising by the expiration of a director's term, or a vacancy  
339 created by the removal of a director for any other reason, shall  
340 be filled by appointment made by the party originally responsible  
341 for the appointment of the director vacating his or her  
342 appointment.

343 (c) Notwithstanding the appointive authority herein  
344 granted to the DeSoto County Board of Supervisors, its legal and  
345 actual responsibilities, authority and function, subsequent to the  
346 creation of the authority, shall be specifically limited to such  
347 appointive function and responsibilities.

348 (d) The operation, management, abolition, or  
349 dissolution of the authority, and all such other matters in  
350 connection therewith, shall be vested solely and only in the board  
351 of directors to the specific exclusion of the DeSoto County Board  
352 of Supervisors, and the operation, management, abolition, or  
353 dissolution of the authority shall be accomplished only by the  
354 authority of the board of directors.

355 (e) The board of directors of the authority shall elect  
356 annually from its number a president and vice president of the  
357 district and such other officers as, in the judgment of the board,  
358 are necessary. The president shall be the chief executive officer  
359 of the authority and the presiding officer of the board, and shall  
360 have the same right to vote as any other director. The vice  
361 president shall perform all duties and exercise all powers  
362 conferred by this act upon the president when the president is  
363 absent or fails or declines to act, except the president's right  
364 to vote. The board also shall appoint a secretary and a treasurer  
365 who may or may not be members of the board, and it may combine  
366 those offices. The treasurer shall give bond in the sum of not

367 less than Fifty Thousand Dollars (\$50,000.00) as set by the board  
368 of directors, and each director may be required to give bond in  
369 the sum of not less than Ten Thousand Dollars (\$10,000.00), with  
370 sureties qualified to do business in this state, and the premiums  
371 on said bonds shall be an expense of such authority. Each such  
372 bond shall be payable to the State of Mississippi; the condition  
373 of each such bond shall be that the treasurer or director will  
374 faithfully perform all duties of his office and account for all  
375 money or other assets which shall come into his custody as  
376 treasurer or director of the authority.

377 (f) The members of the board of directors of the  
378 authority shall serve without salary, but shall be entitled to  
379 receive per diem pay as provided for in Section 25-3-69. Further,  
380 they shall be reimbursed their actual travel and hotel expenses as  
381 provided in Section 25-3-41, incurred while in the performance of  
382 their duties as members of the board of directors of the  
383 authority, to be paid on an itemized statement approved by the  
384 Department of Finance and Administration. Expenses shall be paid  
385 from the available funds of the authority.

386 SECTION 5. (1) Except as may otherwise be provided for in  
387 this act, all business of the authority shall be transacted by  
388 vote of the board of directors.

389 (2) Except as provided in Section 4 and Section 10, all  
390 business of the authority shall be transacted by a simple majority  
391 affirmative vote of the total membership of the board of  
392 directors and by a concurrent vote of the directors representing  
393 the simple majority of the total flowage usage of the treatment  
394 systems of the authority during the preceding fiscal year. The  
395 quorum for any meeting of the board of directors shall be a simple  
396 majority of the total membership of the board of directors and the  
397 presence of directors representing a simple majority of the  
398 proportional use of the treatment systems of the authority during  
399 the fiscal year.

400 SECTION 6. (1) The authority is authorized and empowered to  
401 acquire water and sewer trunk lines; to acquire, construct,  
402 improve, enlarge, extend, repair, operate and maintain one or more  
403 of its systems used for the collection, transportation, treatment  
404 and treatment of water, sewerage and wastewater; and to make  
405 contracts with any person in furtherance thereof; and to make  
406 contracts with any person, under the terms of which the authority,  
407 within its designated metropolitan area, will collect, transport,  
408 treat or dispose of water, sewerage and wastewater for such  
409 person. The authority also may enter into contracts with any  
410 person to design and construct any water, sewerage or wastewater,  
411 treatment systems, or any other of its treatment facilities or  
412 systems and thereafter to purchase, lease or sell, by installments  
413 over such terms as may be deemed desirable, reasonable and  
414 necessary, or otherwise, any such system or systems. The  
415 authority is authorized to enter into operating agreements with  
416 any person, for such terms and upon such conditions as may be  
417 deemed desirable, for the operation of any water, sewerage or  
418 wastewater, treatment systems, or other of its treatment  
419 facilities or systems; and the authority may lease to or from any  
420 person, for such term and upon such conditions as may be deemed  
421 desirable, any water, sewerage or wastewater, collection,  
422 transportation, treatment, or its other treatment facilities or  
423 systems. Any such contract may contain provisions requiring any  
424 public agency or other person to regulate the quality and strength  
425 of materials to be handled by the respective treatment system or  
426 systems and also may provide that the authority shall have the  
427 right to use any streets, alleys and public ways and places within  
428 the jurisdiction of a public agency or other person during the  
429 term of the contract.

430 (2) The authority shall have the duty and responsibility to  
431 exercise general supervision over the design, construction,  
432 operation and maintenance of water, sewerage or wastewater

433 treatment systems; to adopt rules governing the design,  
434 construction or installation, operation and maintenance of water,  
435 sewerage or wastewater treatment systems; to adopt rules  
436 establishing performance standards for water, sewerage or  
437 wastewater treatment systems and rules concerning the operation  
438 and maintenance of the same. Such rules and regulations may  
439 include the implementation of a standard application form for the  
440 installation, operation and maintenance of such treatment systems;  
441 application review; approval or denial procedures for any proposed  
442 system; inspection, monitoring, and reporting guidelines; and  
443 enforcement procedures.

444 (3) No owner, lessee or developer shall construct or place a  
445 residence, building, facility or development which may require the  
446 installation of a water, sewerage or wastewater treatment system,  
447 without having first submitted a notice of intent to the  
448 authority. Upon receipt of the notice of intent, the board of  
449 directors shall provide the party giving notice with complete  
450 information regarding the rules, regulations and guidelines for  
451 the design, construction, installation, operation and maintenance  
452 of water, sewerage and wastewater treatment systems. No water,  
453 sewerage or wastewater treatment systems shall be installed  
454 without proof of the submission of the notice of intent required  
455 by this section and the approval of the same by the board of  
456 directors.

457 (4) Within ten (10) working days following the receipt of a  
458 notice of intent and plot plan, as applicable, by an owner, lessee  
459 or developer, of any lot or tract of land, the board of directors  
460 shall make recommendations to the owner, lessor or developer as to  
461 the type or types of systems suitable for installation and  
462 compatible with the existing treatment systems of the authority.  
463 Approval by the board of directors of any system is required by  
464 the installation, operation or maintenance of any system, and no  
465 person shall design, construct or install a system that does not

466 comply with this act; however, the board of directors may grant  
467 variances from the requirements of this act as deemed necessary  
468 and appropriate. Any person responsible for the design,  
469 construction or installation of a system shall sign and file with  
470 the authority an affidavit that the system complies with this act.

471 (5) Nothing in this act shall preclude a professional  
472 engineer from providing services for the design, construction or  
473 installation of any water, sewerage and wastewater treatment  
474 systems. However, any such engineer shall notify the authority in  
475 writing of those services provided and shall stamp the appropriate  
476 documentation with that professional's seal certifying the  
477 approval of the board of directors of the design, construction and  
478 installation.

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

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

493 (a) To develop and maintain long-range planning for  
494 collection and treatment systems of water, sewerage, wastewater  
495 and groundwater from within the metropolitan area and for  
496 pollution abatement.

497 (b) Any municipality, public agency or other person  
498 being a member agency, or being connected with, or tied into, the

499 treatment systems of the collection, transportation and treatment  
500 may agree to use its respective eminent domain powers for the  
501 benefit of the authority to acquire such property, easements,  
502 rights-of-way and other property interests as may be required and  
503 requested by the board of directors.

504 The amount and character of interest in land, other property,  
505 and easements thus to be acquired shall be determined by the board  
506 of directors, and their determination shall be conclusive and  
507 shall not be subject to attack in the absence of manifold abuse of  
508 discretion or fraud on the part of such board in making such  
509 determination. However:

510 (i) In acquiring lands, either by negotiation or  
511 eminent domain through action of a member agency, the authority  
512 shall not acquire mineral rights or royalties, provided that sand  
513 and gravel shall not be considered as minerals within the meaning  
514 of this section;

515 (ii) No person or persons owning the drilling  
516 rights or the right to share in production shall be prevented from  
517 exploring, developing or producing oil or gas with necessary  
518 rights-of-way for ingress and egress, pipelines and other means of  
519 transporting such interests on any land or interest thereon of the  
520 authority held or used for the purposes of this act, but any such  
521 activities shall be subject to and secondary to such reasonable  
522 regulations by the board of directors as will adequately protect  
523 the systems of the authority contemplated by this act; and

524 (iii) In acquiring lands, either by negotiation or  
525 eminent domain through action of a member agency, the authority  
526 shall acquire only any interest or rights in such facilities,  
527 components and systems which are part of the regional plan  
528 implemented by the authority.

529 (c) To acquire the necessary relocation or rerouting of  
530 roads and highways, railroad, telephone and telegraph lines and  
531 properties, electric power lines, gas pipelines and related

532 facilities, or to require the anchoring or other protection of any  
533 of these, provided fair compensation is first paid to the owners  
534 thereof or agreement is had with such owners regarding the payment  
535 of the cost of such relocation, and to acquire easements or  
536 rights-of-way for such relocation or rerouting and to convey the  
537 same to the owners of the property being relocated or rerouted in  
538 connection with the purpose of this act.

539           (d) To enter into contracts with any person or any  
540 public agency, including, but not limited to, contracts authorized  
541 by Section 8 of this act, in furtherance of any of the purposes  
542 authorized by this act upon such consideration as the board of  
543 directors and such person may agree. Any such contract may extend  
544 over any period of time, notwithstanding any provision or rule of  
545 law to the contrary; may be upon such terms as the parties thereto  
546 shall agree; and may provide that it shall continue in effect  
547 until bonds specified therein, refunding bonds issued in lieu of  
548 such bonds, and all other obligations specified therein are paid  
549 or terminated. Any such contract shall be binding upon the  
550 parties thereto according to its terms.

551           (e) To make and enforce, and from time to time amend  
552 and repeal, bylaws and rules and regulations for the management of  
553 its business and affairs and for the construction, use,  
554 maintenance and operation of any of the systems under its  
555 management and control and any other of its properties.

556           (f) To employ staff and other personnel, including  
557 attorneys, engineers and consultants as may be necessary to the  
558 functioning of the authority. The board of directors, in its  
559 discretion, may employ a general manager having the authority to  
560 employ and fire employees of the authority.

561           (g) To apply for, accept and utilize grants and other  
562 funds from any source for any purpose necessary in support of the  
563 purpose of this act.

564           (h) To establish and maintain rates and charges for the

565 use of the services of such of the systems and facilities within  
566 the control of the authority, and within the metropolitan area,  
567 and from time to time to adjust such rates, to the end that the  
568 revenues therefrom will be sufficient at all times to pay the  
569 expenses of operating and maintaining such of its works,  
570 facilities and treatment systems and all of the municipality's  
571 obligations under any contract or bond resolution with respect  
572 thereto.

573           (i) To adopt rules and regulations necessary to carry  
574 out the implementation of the metropolitan area plan and to assure  
575 the payment of each participating person or public agency of its  
576 proportionate share of the costs for use of any of the systems and  
577 facilities of the authority.

578           (j) To refuse to receive waste from any public agency  
579 or subdivision thereof not currently using any system and which  
580 may be acquired or within the control of the authority, or any  
581 other person that does not comply with the provisions of the  
582 metropolitan area plan applicable to the particular area within  
583 which such public agency or subdivision thereof or any other  
584 person is located.

585           (k) To accept industrial wastewater from within the  
586 boundaries of the authority for treatment and to require the  
587 pretreatment of same when, in the opinion of the authority, such  
588 pretreatment is necessary.

589           (l) To adopt all necessary and reasonable rules and  
590 regulations to carry out and effectuate any waste treatment  
591 systems or treatment system control plan of the authority as  
592 adopted for the metropolitan area, as contractually authorized.

593           (m) So long as any indebtedness on the systems of the  
594 authority remains outstanding, to require by contract with a  
595 public agency, or other person, that all water, sewerage and  
596 wastewater within the metropolitan area be disposed of through the  
597 appropriate treatment system which comprise a part of the

598 metropolitan area plan, to the extent that the same may be  
599 available, but no public agency shall be precluded from  
600 constructing, operating and maintaining its own such system after  
601 the current indebtedness owing on the system as of the effective  
602 date of this act is paid in full.

603           (n) The authority shall not control or operate as part  
604 of its authority the local retail wastewater and sewerage services  
605 and shall not provide or be responsible for direct servicing of  
606 said services to any residences, businesses and individuals.

607           SECTION 8. (1) Any public agency, pursuant to a duly  
608 adopted resolution of the governing authority of such public  
609 agency, may enter into contracts with the authority under the  
610 terms of which the authority, within its designated metropolitan  
611 area, will manage, operate, and contract for usage of its  
612 treatment systems and treatment facilities, or other services, for  
613 such person or public agency. Any public agency may also enter  
614 into contracts with the authority for the authority to purchase or  
615 sell, by installments over such terms as may be deemed desirable,  
616 or otherwise, to any person any treatment systems. Any public  
617 agency is authorized to enter into operating agreements with the  
618 authority, for such terms and upon such conditions as may be  
619 deemed desirable, for the operation of any of its treatment  
620 systems of any person by the authority or by any person  
621 contracting with the authority to operate such treatment systems;  
622 and any public agency may lease to or from the authority, for such  
623 term and upon such conditions as may be deemed desirable, any of  
624 its treatment systems. Any such contract may contain provisions  
625 requiring any public agency or other person to regulate the  
626 quality and strength of the material to be handled by the water,  
627 wastewater, or sewage systems and may also provide that the  
628 authority shall have the right to use any streets, alleys and  
629 public ways and places within the jurisdiction of a public agency  
630 or other person during the term of the contract. Such contracts

631 may obligate the public agency to make payments to the authority  
632 or to a trustee in amounts which shall be sufficient to enable the  
633 authority to defray the expenses of administering, operating and  
634 maintaining its respective systems, to pay interest and principal  
635 (whether at maturity upon redemption or otherwise) on bonds of the  
636 authority, issued under this act and to fund reserves for debt  
637 service, for operation and maintenance and for renewals and  
638 replacements, and to fulfill the requirements of any rate covenant  
639 with respect to debt service coverage contained in any resolution,  
640 trust indenture or other security agreement relating to the bonds  
641 of the authority issued under this act. Any public agency shall  
642 have the power to enter into such contracts with the authority as  
643 in the discretion of the governing authorities of the agency would  
644 be in the best interest of the agency. Such contracts may include  
645 a pledge of the full faith and credit of such public agency and/or  
646 the avails of any special assessments made by such public agency  
647 against property receiving benefits, as now or hereafter is  
648 provided by law. Any such contract may provide for the sale, or  
649 lease to, or use of by the authority, of the systems or any part  
650 thereof, of the public agency; and may provide that the authority  
651 shall operate its systems or any part thereof of the public  
652 agency; and may provide that any public agency shall have the  
653 right to continued use and/or priority use of the systems or any  
654 part thereof during the useful life thereof upon payment of  
655 reasonable charges therefor; and may contain provisions to assure  
656 equitable treatment of persons or public agencies who contract  
657 with the authority under this act; and may contain such other  
658 provisions and requirements as the parties thereto may determine  
659 to be appropriate or necessary. Such contracts may extend over  
660 any period of time, notwithstanding any provisions of law to the  
661 contrary, and may extend beyond the life of the respective systems  
662 or any part thereof or the term of the bonds sold with respect to  
663 such facilities or improvements thereto.

664           (2) The obligations of a public agency arising under the  
665 terms of any contract referred to in this act, whether or not  
666 payable solely from a pledge of revenues, shall not be included  
667 within the indebtedness limitations of the public agency for  
668 purposes of any constitutional or statutory limitation or  
669 provision. To the extent provided in such contract and to the  
670 extent such obligations of the public agency are payable wholly or  
671 in part from the revenues and other monies derived by the public  
672 agency from the operation of its treatment systems or of its  
673 combined treatment systems, waterworks and water supply systems or  
674 any part thereof, such obligations shall be treated as expenses of  
675 operating such systems.

676           (3) Contracts referred to in this section may also provide  
677 for payments in the form of contributions to defray the cost of  
678 any purpose set forth in the contracts and as advances for the  
679 respective systems or any part thereof subject to repayment by the  
680 authority. A public agency may make such contributions or  
681 advances from its general fund or surplus fund or from special  
682 assessments or from any monies legally available therefor.

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

687           (5) Subject to the terms of a contract or contracts referred  
688 to in this act, the authority is hereby authorized to do and  
689 perform any and all acts or things necessary, convenient or  
690 desirable to carry out the purposes of such contracts, including  
691 the fixing, charging, collecting, maintaining and revising of  
692 rates, fees and other charges for the services rendered to any  
693 user of any of the systems operated or maintained by the  
694 authority, whether or not such systems are owned by the authority.

695           (6) No provision of this act shall be construed to prohibit  
696 any public agency, otherwise permitted by law to issue bonds, from

697 issuing bonds in the manner provided by law for the construction,  
698 renovation, repair or development of any of the authority's  
699 treatment systems, or any part thereof, owned or operated by such  
700 public agency.

701 SECTION 9. Whenever a public agency shall have executed a  
702 contract under this act and the payments thereunder are to be made  
703 either wholly or partly from the revenues of the public agency's  
704 treatment systems, or any part thereof, or a combination of such  
705 systems, the duty is hereby imposed on the public agency to  
706 establish and maintain and from time to time to adjust the rates  
707 charged by the public agency for the services of such treatment  
708 systems, so that the revenues therefrom together with any taxes  
709 and special assessments levied in support thereof will be  
710 sufficient at all times to pay: (a) the expense of operating and  
711 maintaining such treatment systems including all of the public  
712 agency's obligations to the authority, its successors or assigns  
713 under such contract; and (b) all of the public agency's  
714 obligations under and in connection with revenue bonds theretofore  
715 issued, or which may be issued thereafter and secured by the  
716 revenues of such treatment systems. Any such contract may require  
717 the use of consulting engineers and financial experts to advise  
718 the public agency whether and when such rates are to be adjusted.

719 SECTION 10. (1) The DeSoto County Regional Utility  
720 Authority shall have the power and is hereby authorized, from time  
721 to time, to borrow money and to issue revenue bonds in such  
722 principal amounts, up to a maximum amount of Forty Million Dollars  
723 (\$40,000,000.00), as the DeSoto County Regional Utility Authority  
724 may determine to be necessary to provide sufficient funds for  
725 achieving the purposes of this act, including, (a) defraying the  
726 cost of the acquisition of water and sewer trunk lines and the  
727 acquisition, construction, improvement, repair or extension of its  
728 treatment systems, or any part thereof, whether or not such  
729 facilities are owned by the authority; (b) the payment of interest

730 on bonds of the authority issued under this act; (c) establishing  
731 reserves to secure such bonds and payment of the interest thereon;  
732 (d) paying expenses incident to the issuance of such bonds and to  
733 the implementation of the authority's systems, and all other  
734 expenditures of the authority incident to or necessary or  
735 convenient to carry out the purposes of this act.

736 (2) Before issuing bonds (other than interim notes or  
737 refunding bonds as provided in Section 11 of this act) hereunder,  
738 the board of directors of the authority first shall hold a public  
739 hearing before the governing authorities of each affected public  
740 agency with due notice of the time, date and place of said hearing  
741 published in a newspaper of general circulation in each said  
742 public agency. Upon an affirmative vote of the board of directors  
743 approving the resolution of intent, the board of directors shall  
744 adopt a resolution declaring its intention to issue such bonds and  
745 stating the maximum principal amount of bonds proposed to be  
746 issued, a general generic description of the proposed improvements  
747 and the proposed location thereof and the date, time and place at  
748 which the board of directors proposes to take further action with  
749 respect to the issuance of such bonds. The board of directors  
750 then shall cause the resolution of intent to be published once a  
751 week for at least three (3) consecutive weeks in at least one (1)  
752 newspaper having a general circulation within the geographical  
753 limits of all of the public agencies: (a) which have contracted  
754 with the authority pursuant to this act; and (b) whose contracts  
755 relate to the bonds proposed to be issued.

756 Each member agency which meets all of the criteria set forth  
757 in paragraphs (a) and (b) of this subsection is hereinafter  
758 referred to as an "affected member agency," and, together with  
759 other such agencies, collectively referred to as the "affected  
760 member agencies."

761 If no newspaper has a general circulation within the  
762 geographical limits of all of the affected member agencies, then

763 such resolution shall be published in as many different newspapers  
764 as may be required to provide general circulation of the  
765 publication of such resolution within the geographical limits of  
766 each affected member agency. If no newspaper has a general  
767 circulation within the geographical limits of any particular  
768 affected member agency, then notice in such affected member agency  
769 shall be made by posting a copy of such resolution for at least  
770 twenty-one (21) days next preceding the date therein at two (2)  
771 public places within the geographical limits of such member  
772 agency. The first publication of such resolution shall be made  
773 not less than twenty-one (21) days before the date fixed in such  
774 resolution to direct the issuance of the bonds and the last  
775 publication shall be made not more than seven (7) days before such  
776 date. If twenty percent (20%) of the qualified electors residing  
777 in the authority or one thousand five hundred (1,500), whichever  
778 is less, shall file a written protest against the issuance of such  
779 bonds on or before the date specified in such resolution, then an  
780 election on the question of the issuance of such bonds shall be  
781 called and held as herein provided. If no such protest be filed,  
782 then such bonds may be issued without an election on the question  
783 of the issuance thereof at any time within a period of two (2)  
784 years after the date specified in the above-mentioned resolution.

785 Where an election is to be called, notice of such election shall  
786 be signed by the president of the board of directors, and shall be  
787 published once a week for at least three (3) consecutive weeks in  
788 the same manner as publication of the resolution. The first  
789 publication of such notice shall be made not less than twenty-one  
790 (21) days before the date fixed for such election and the last  
791 publication shall be made not more than seven (7) days before such  
792 date. The election shall be conducted by the election  
793 commissioners of the county in which the authority is located.  
794 The election shall be held, as far as is practicable, in the same  
795 manner as other county special elections are held in the county

796 where the authority is located. At the election, all qualified  
797 electors residing in the authority may vote, and the ballots used  
798 at such election shall have printed thereon a brief statement of  
799 the amount and purpose of the proposed bond issue and the words  
800 "FOR THE BOND ISSUE" and "AGAINST THE BOND ISSUE," and the voter  
801 shall vote by placing a cross (X) opposite his choice on the  
802 proposition. When the results of the election on the question of  
803 the issuance of such bonds shall have been canvassed by the  
804 election commissioners of the county, in which the authority is  
805 located, and certified by them to the board of directors of the  
806 authority, it shall be the duty of the board of directors of the  
807 authority to determine and adjudicate whether or not a majority of  
808 the qualified electors who voted thereon in such election voted in  
809 favor of the issuance of such bonds, and unless a majority of the  
810 qualified electors who voted thereon in such election shall have  
811 voted in favor of the issuance of such bonds, then such bonds  
812 shall not be issued. Should a majority of the qualified electors  
813 who vote thereon in such election vote in favor of the issuance of  
814 such bonds, then the board of directors may issue such bonds,  
815 either in whole or in part, within two (2) years after the date of  
816 the election or the date of the final favorable termination of any  
817 litigation affecting the issuance of such bonds.

818 (3) Bonds of the authority issued under this act shall be  
819 payable from and secured by a pledge of all or any part of the  
820 revenues under any contract entered into pursuant to this act and  
821 from all or any part of the revenues derived from the operation of  
822 the treatment systems, or any part thereof, and any other monies  
823 legally available therefor, as may be determined by the authority,  
824 subject only to any agreement with the purchasers of the bonds.  
825 Such bonds may be further secured by a trust indenture between the  
826 authority and a corporate trustee, which may be any trust company  
827 or bank having powers of a trust company without or within the  
828 state.

829           (4) Bonds of the authority issued under this act shall be  
830 authorized by a resolution or resolutions adopted by the board of  
831 directors of the authority. Such bonds shall bear such date or  
832 dates, mature at such time or times, bear interest at such rate or  
833 rates (not exceeding the maximum rate set out in Section  
834 75-17-103), be in such denomination or denominations, be in such  
835 form, carry such conversion privileges, have such rank or  
836 priority, be executed in such manner and by such officers, be  
837 payable from such sources in such medium of payment at such place  
838 or places within or without the state, provided that one (1) such  
839 place shall be within the state, and be subject to such terms of  
840 redemption prior to maturity, all as may be provided by resolution  
841 or resolutions of the board of directors.

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

848           (6) Any pledge of earnings, revenues or other monies made by  
849 the authority shall be valid and binding from the time the pledge  
850 is made. The earnings, revenues or other monies so pledged and  
851 thereafter received by the authority shall immediately be subject  
852 to the lien of such pledge without any physical delivery thereof  
853 or further act, and the lien of any such pledge shall be valid and  
854 binding as against all parties having claims of any kind in tort,  
855 contract or otherwise against the authority irrespective of  
856 whether such parties have notice thereof. Neither the resolution  
857 nor any other instrument by which a pledge is created need be  
858 recorded.

859           (7) Neither the members of the board of directors nor any  
860 person executing the bonds shall be personally liable on the bonds  
861 or be subject to any personal liability or accountability by

862 reason of the issuance thereof.

863 (8) Proceeds from the sale of bonds of the authority may be  
864 invested, pending their use, in such securities as may be  
865 specified in the resolution authorizing the issuance of the bonds  
866 or the trust indenture securing them, and the earnings on such  
867 investments applied as provided in such resolution or trust  
868 indenture.

869 (9) Whenever any bonds shall have been signed by the  
870 officer(s) designated by the resolution of the board of directors  
871 to sign the bonds, who were in office at the time of such signing,  
872 but who may have ceased to be such officer(s) prior to the sale  
873 and delivery of such bonds, or who may not have been in office on  
874 the date such bonds may bear, the manual or facsimile signatures  
875 of such officer(s) upon such bonds shall nevertheless be valid and  
876 sufficient for all purposes and have the same effect as if the  
877 person so officially executing such bonds had remained in office  
878 until the delivery of the same to the purchaser or had been in  
879 office on the date such bonds may bear.

880 SECTION 11. The authority, by resolution adopted by its  
881 board of directors, may issue refunding bonds for the purpose of  
882 paying any of its bonds at or prior to maturity or upon  
883 acceleration or redemption. Refunding bonds may be issued at such  
884 time prior to the maturity or redemption of the refunded bonds as  
885 the board of directors deems to be in the public interest, without  
886 an election on the question of the issuance thereof. The  
887 refunding bonds may be issued in sufficient amounts to pay or  
888 provide the principal of the bonds being refunded, together with  
889 any redemption premium thereon, any interest accrued or to accrue  
890 to the date of payment of such bonds, the expenses of issue of the  
891 refunding bonds, the expenses of redeeming the bonds being  
892 refunded, and such reserves for debt service or other capital or  
893 current expenses from the proceeds of such refunding bonds as may  
894 be required by the resolution, trust indenture or other security

895 instruments. The issue of refunding bonds, the maturities and  
896 other details thereof, the security therefor, the rights of the  
897 holders and the rights, duties and obligations of the authority in  
898 respect to the same shall be governed by the provisions of this  
899 act relating to the issue of bonds other than refunding bonds  
900 insofar as the same may be applicable. Any such refunding may be  
901 effected, whether the obligations to be refunded shall have then  
902 matured or shall thereafter mature, either by the exchange of the  
903 refunding bonds for the obligations to be refunded thereby with  
904 the consent of the holders of the obligations so to be refunded,  
905 or by sale of the refunding bonds and the application of the  
906 proceeds thereof to the payment of the obligations proposed to be  
907 refunded thereby, and regardless of whether the obligations  
908 proposed to be refunded shall be payable on the same date or  
909 different dates or shall be due serially or otherwise.

910 SECTION 12. All bonds (other than refunding bonds, interim  
911 notes and certificates of indebtedness, which may be validated)  
912 issued pursuant to this act shall be validated as now provided by  
913 law in Sections 31-13-1 through 31-13-11, which constitute the  
914 Validation of Public Bonds Act, except that notice of such  
915 validation proceedings shall be addressed to the taxpayers of the  
916 respective member agencies (a) which have contracted with the  
917 authority under this act, and (b) whose contracts, and the  
918 payments to be made by the public agencies thereunder, constitute  
919 security for the bonds of the authority proposed to be issued.  
920 Such notice shall be published at least once in a newspaper or  
921 newspapers having a general circulation within the geographical  
922 boundaries of each of the member agencies to whose taxpayers the  
923 notice is addressed. Such validation proceedings shall be  
924 instituted in the Chancery Court of DeSoto County. The validity  
925 of the bonds so validated, and of the contracts and payments to be  
926 made by the public agencies, thereunder constituting security for  
927 the bonds, shall be forever conclusive against the authority and

928 the public agencies which are parties to said contracts; and the  
929 validity of said bonds and said contracts and the payments to be  
930 made thereunder shall never be called in question in any court in  
931 this state.

932 SECTION 13. Bonds issued under the provisions of this act  
933 shall be payable solely from the revenues or assets of the  
934 authority pledged therefor. Each bond issued under this act shall  
935 contain on the face thereof a statement to the effect that the  
936 authority shall not be obligated to pay the same nor the interest  
937 thereon except from the revenues or assets pledged therefor.

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

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

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

944 (c) Covenant to charge rates, fees and charges  
945 sufficient to meet operating and maintenance expenses, renewals  
946 and replacements, principal and debt service on bonds, creation  
947 and maintenance of any reserves required by a bond resolution,  
948 trust indenture or other security instrument and to provide for  
949 any margins or coverages over and above debt service on the bonds  
950 deemed desirable for the marketability of the bonds.

951 (d) Covenant and prescribe as to events of default and  
952 terms and conditions upon which any or all of its bonds shall  
953 become or may be declared due before maturity, as to the terms and  
954 conditions upon which such declaration and its consequences may be  
955 waived and as to the consequences of default and the remedies of  
956 the registered owners of the bonds.

957 (e) Covenant as to the mortgage or pledge of or the  
958 grant of a security interest in any real or personal property and  
959 all or any part of the revenues from any treatment systems, or any  
960 part thereof, or any revenue-producing contract or contracts made

961 by the authority with any person to secure the payment of bonds,  
962 subject to such agreements with the registered owners of bonds as  
963 may then exist.

964 (f) Covenant as to the custody, collection, securing,  
965 investment and payment of any revenues, assets, monies, funds or  
966 property with respect to which the authority may have any rights  
967 or interest.

968 (g) Covenant as to the purposes to which the proceeds  
969 from the sale of any bonds then or thereafter to be issued may be  
970 applied, and the pledge of such proceeds to secure the payment of  
971 the bonds.

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

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

977 (j) Covenant as to the procedure by which the terms of  
978 any contract with or for the benefit of the registered owners of  
979 bonds may be amended or abrogated, the amount of bonds the  
980 registered owners of which must consent thereto, and the manner in  
981 which such consent may be given.

982 (k) Covenant as to the custody of any of its properties  
983 or investments, the safekeeping thereof, the insurance to be  
984 carried thereon, and the use and disposition of insurance  
985 proceeds.

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

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

992 (n) Make all other covenants and to do any and all such  
993 acts and things as may be necessary or convenient or desirable in

994 order to secure its bonds, or in the absolute discretion of the  
995 district tend to make the bonds more marketable, notwithstanding  
996 that such covenants, acts or things may not be enumerated herein;  
997 it being the intention hereof to give the authority the power to  
998 do all things in the issuance of bonds and in the provisions for  
999 security thereof which are not inconsistent with the Constitution  
1000 of this state.

1001           (o) Execute all instruments necessary or convenient in  
1002 the exercise of the powers herein granted or in the performance of  
1003 covenants or duties, which may contain such covenants and  
1004 provisions, as any purchaser of the bonds of the authority may  
1005 reasonably require.

1006           SECTION 15. For the purposes of satisfying any temporary  
1007 cash flow demands and deficiencies, and to maintain a working  
1008 balance for the authority, the DeSoto County Board of Supervisors,  
1009 or other persons as defined in Section 2(k) of this act, subject  
1010 to their lawful authority to do so, are authorized to advance, at  
1011 any time, such funds which, in its discretion, are necessary, or  
1012 borrow such funds by issuance of notes, for initial capital  
1013 contribution and to cover start-up costs until such times as  
1014 sufficient bonds, assets and revenues have been secured to satisfy  
1015 the needs of the authority for its management, operation and  
1016 formation. To this end, the DeSoto County Board of Supervisors,  
1017 or other persons as defined in Section 2(k) of this act, subject  
1018 to their lawful authority to do so, shall advance such funds, or  
1019 borrow such funds by issuance of notes, under such terms and  
1020 conditions as may be provided by resolution of the DeSoto County  
1021 Board of Supervisors, or other persons as defined in Section 2(k)  
1022 of this act, subject to their lawful authority to do so, except  
1023 that each such resolution shall state:

1024           (a) The need for the proceeds advanced or borrowed;

1025           (b) The amount to be advanced or the amount to be  
1026 borrowed;

1027           (c) The maximum principal amount of any note issued,  
1028 the interest rate or maximum interest rate to be incurred, and the  
1029 maturity date of said note.

1030           In addition, the DeSoto County Board of Supervisors, or other  
1031 persons as defined in Section 2(k) of this act, subject to their  
1032 lawful authority to do so, may arrange for lines of credit with  
1033 any bank, firm or person for the purpose of providing an  
1034 additional source of repayment for notes issued pursuant to this  
1035 section. Amounts drawn on a line of credit may be evidenced by  
1036 negotiable or nonnegotiable notes or other evidences of  
1037 indebtedness and contain such terms and conditions as the DeSoto  
1038 County Board of Supervisors, or other persons as defined in  
1039 Section 2(k) of this act, subject to their lawful authority to do  
1040 so, may authorize in the resolution approving the same.

1041           The DeSoto County Board of Supervisors, or other persons as  
1042 defined in Section 2(k) of this act, subject to their lawful  
1043 authority to do so, may authorize the repayment of such advances,  
1044 notes, lines of credit and other debt incurred under this section,  
1045 along with all costs associated with the same, including, but not  
1046 limited to, rating agency fees, printing costs, legal fees, bank  
1047 or trust company fees, line of credit fees and other charges to be  
1048 reimbursed by the authority under such terms and conditions as are  
1049 reasonable and are to be provided for by resolution of the DeSoto  
1050 County Board of Supervisors, or terms agreed upon with other  
1051 persons as defined in Section 2(k) of this act, subject to their  
1052 lawful authority to do so.

1053           SECTION 16. The authority, in any authorizing resolution of  
1054 the board of directors, trust indenture or other security  
1055 instrument relating to its bonds, may provide for the appointment  
1056 of a trustee who shall have such powers as are provided therein to  
1057 represent the registered owners of any issue of bonds in the  
1058 enforcement or protection of their rights under any such  
1059 resolution, trust indenture or security instrument. The authority

1060 also may provide in such resolution, trust indenture or other  
1061 security instrument that the trustee, or in the event that the  
1062 trustee so appointed shall fail or decline to so protect and  
1063 enforce such registered owners' rights then such percentage of  
1064 registered owners as shall be set forth in, and subject to the  
1065 provisions of, such resolution, trust indenture or other security  
1066 interest, may petition the court of proper jurisdiction for the  
1067 appointment of a receiver of the authority's treatment systems for  
1068 the revenues of which are pledged to the payment of the principal  
1069 of and interest on the bonds of such registered owners. Such  
1070 receiver may exercise any power as may be granted in any such  
1071 resolution, trust indenture or security instrument to enter upon  
1072 and take possession of, acquire, construct or reconstruct or  
1073 operate and maintain such sewage such as the authority treatment  
1074 systems fix, charge, collect, enforce and receive all revenues  
1075 derived from such of the systems or facilities and perform the  
1076 public duties and carry out the contracts and obligations of the  
1077 authority in the same manner as the authority itself might do, all  
1078 under the direction of such court.

1079 SECTION 17. (1) The exercise of the powers granted by this  
1080 act will be in all respects for the benefit of the people of the  
1081 State of Mississippi, for their well-being and prosperity and for  
1082 the improvement of their social and economic conditions, and the  
1083 authority shall not be required to pay any tax or assessment on  
1084 any property owned by the authority under the provisions of this  
1085 act or upon the income therefrom; nor shall the authority be  
1086 required to pay any recording fee or transfer tax of any kind on  
1087 account of instruments recorded by it or on its behalf.

1088 (2) Any bonds issued by the authority under the provisions  
1089 of this act, and their transfer and any income derived therefrom,  
1090 shall at all times be free from taxation by the state or any local  
1091 unit or political subdivision or other instrumentality of the  
1092 state, excepting inheritance and gift taxes.

1093 SECTION 18. All bonds issued under the provisions of this  
1094 act shall be legal investments for trustees, other fiduciaries,  
1095 savings banks, trust companies and insurance companies organized  
1096 under the laws of the State of Mississippi; and such bonds shall  
1097 be legal securities which may be deposited with and shall be  
1098 received by all public officers and bodies of the state and all  
1099 municipalities and other political subdivisions thereof for the  
1100 purpose of securing the deposit of public funds.

1101 SECTION 19. The State of Mississippi hereby covenants with  
1102 the registered owners of any bonds of the authority that so long  
1103 as the bonds are outstanding and unpaid the State of Mississippi  
1104 will not limit or alter the rights and powers of the authority  
1105 under this act to conduct the activities referred to herein in any  
1106 way pertinent to the interests of the bondholders, including the  
1107 authority's right to charge and collect rates, fees and charges  
1108 and to fulfill the terms of any covenants made with the registered  
1109 owners of the bonds, or in any other way impair the rights and  
1110 remedies of the registered owners of the bonds, unless provision  
1111 for full payment of such bonds, by escrow or otherwise, has been  
1112 made under the terms of the bonds or the resolution, trust  
1113 indenture or security interest securing the bonds.

1114 SECTION 20. The provisions of this act are cumulative to  
1115 other statutes now or hereafter enacted relating to the issuance  
1116 of bonds or the components which make up the authority's treatment  
1117 systems and to the design, construction, acquisition or approval  
1118 of facilities for such purposes, and any public agency may  
1119 exercise all presently held powers in the furtherance of this act;  
1120 provided that the authority may issue bonds only under the  
1121 provisions of this act.

1122 SECTION 21. The Board of Supervisors of DeSoto County shall  
1123 submit this act, immediately upon approval by the Governor, or  
1124 upon approval by the Legislature subsequent to a veto, to the  
1125 Attorney General of the United States or to the United States

1126 District Court for the District of Columbia in accordance with the  
1127 provisions of the Voting Rights Act of 1965, as amended and  
1128 extended.

1129 SECTION 22. This act shall take effect and be in force from  
1130 and after the date that it is effectuated under Section 5 of the  
1131 Voting Rights Act of 1965, as amended and extended.