SENATE BILL NO. 3163

AN ACT TO AUTHORIZE THE BOARD OF SUPERVISORS OF MADISON COUNTY TO CREATE THE MADISON COUNTY WASTEWATER AUTHORITY; TO PROVIDE THAT THE AUTHORITY SHALL BE GOVERNED BY A BOARD OF DIRECTORS; TO PROVIDE FOR THE MEMBERSHIP OF THE BOARD OF DIRECTORS; TO PROVIDE FOR THE POWERS AND DUTIES OF THE AUTHORITY; TO AUTHORIZE THE AUTHORITY TO ACQUIRE, CONSTRUCT, MAINTAIN AND OPERATE WASTEWATER SYSTEMS WITHIN MADISON COUNTY; TO AUTHORIZE WASTEWATER PROVIDERS TO CONTRACT WITH THE AUTHORITY; TO AUTHORIZE THE MADISON COUNTY WASTEWATER AUTHORITY TO ISSUE REVENUE BONDS TO PROVIDE FUNDS NECESSARY TO ACHIEVE THE PURPOSES OF THIS ACT; TO AUTHORIZE THE MADISON COUNTY WASTEWATER AUTHORITY, WITH THE APPROVAL OF THE AFFECTED WASTEWATER PROVIDER, TO ENTER INTO CONTRACTS WITH THE OWNERS OF PROPERTY TO PROVIDE IMPROVEMENTS NECESSARY TO PROVIDE WASTEWATER SERVICES; TO PROVIDE THAT THE AUTHORITY MAY ISSUE SPECIAL ASSESSMENT BONDS TO FINANCE SUCH IMPROVEMENTS AND TO AUTHORIZE THE AUTHORITY TO Levy and collect SPECIAL ASSESSMENTS AGAINST THE PROPERTY BENEFITED THEREBY TO RETIRE SUCH BONDS; AND FOR RELATED PURPOSES.

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

SECTION 1. This act may be cited as the "Madison County Wastewater Authority Act."

SECTION 2. The purpose of this act is to authorize a cooperative effort by any area situated within Madison County, including the areas situated within the corporate boundaries of any existing municipality and other eligible municipalities, public agencies and political subdivisions, for the acquisition, construction and operation of user-funded wastewater systems, in order to prevent and control the pollution of the waters in this state by the creation of a Madison County Wastewater Authority.

SECTION 3. As used in this act:

(a) "Authority" means the Madison County Wastewater Authority created under this act to serve Madison County,
Mississippi, or a designated portion thereof, as set forth in the
resolution creating or expanding the authority.

(b) "Board of directors" means the Board of Directors
of the Madison County Wastewater Authority.

(c) "Bonds" means revenue bonds and interim notes, and
other certificates of indebtedness of the authority issued under
the provisions of this act.

(d) "Madison County wastewater plan" means a
comprehensive plan for wastewater systems within the Madison
County area, consistent with standards established pursuant to
applicable federal and state law.

(e) "Municipality" means any incorporated city, town,
or village of the State of Mississippi, whether operating under
general law or under special charter, lying wholly or partly
within Madison County, Mississippi.

(f) "Wastewater services provider" or "provider" means
a municipality that provides wastewater services or a nonprofit
association or other public utility that holds a certificate of
public convenience and necessity for wastewater service from the
Mississippi Public Service Commission and the Pearl River Valley
Water Supply District.

(g) "Public agency" means any county, municipality, or
persons, as are defined herein, lying wholly or partially within
the Madison County area, any state board or commission owning or
operating properties within a Madison County area, a district
created pursuant to Sections 51-9-101 through 51-9-163 or Sections
19-5-151 through 19-5-257, or any other political subdivision of
the State of Mississippi lying wholly or partially within Madison
County and having the power to own and operate wastewater systems.

(h) "Wastewater system" means a system for
transporting, transferring, treating and disposing of wastewater,
including, but not limited to, transportation systems and
treatment facilities, as these terms are defined in this act.
(i) "Wastewater" means water being disposed of by any person and which is contaminated with waste or sewage, including residential, industrial, municipal, recreational and any other wastewater that may cause impairment of the quality of the waters of the state.

(j) "Point of delivery" means the point where control of wastewater passes from a provider to the authority. A "point of delivery" generally will be a metering station where flow from a provider's collection system is discharged into the authority's transportation (trunk main) system.

SECTION 4. (1) (a) Prior to the establishment of the authority, the Board of Supervisors of Madison County must adopt a resolution proposing the establishment of the authority.

(b) The resolution shall include the following:

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

(ii) The proposed corporate name for the authority;

(iii) The proposed boundaries of the authority, which shall be Madison County, Mississippi;

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

(2) Upon the approval of the Board of Supervisors of Madison County of the appropriate resolution, the Board of Supervisors of Madison County shall fix a time and place for a public hearing upon the question of the public convenience and necessity of the incorporation of the proposed authority. The hearing shall not be more than forty-five (45) days after the approval of the resolution. The date of the hearing, the place at which it shall be held, the proposed boundaries of the authority, and the purpose
of the hearing, shall be set forth in a notice to be signed by the 
clerk of the Board of Supervisors of Madison County to be 
published in a newspaper having general circulation in the county 
once a week for at least three (3) consecutive weeks before the 
date set forth for the hearing. The first such publication shall 
be made not less than twenty-one (21) days before the date of such 
hearing and the last publication shall be made not more than seven 
(7) days before the date of such hearing.

(3) After the public hearing, should the Board of 
Supervisors of Madison County determine that the public 
convenience and necessity require the creation of the authority, 
and that the creation of the authority is economically sound and 
desirable, the Board of Supervisors of Madison County shall adopt 
a resolution making the aforesaid findings and declaring its 
intention to create the authority on a date to be specified and 
designating the name of the proposed authority and its boundaries.

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

(5) When so organized, the authority shall have the power to 
sue and be sued, provided that the authority shall not be liable 
and shall be immune from suit at law or in the equity on account 
of any wrongful or tortuous act or omission, including libel, 
slander or defamation, by it, or any such act or omission by any 
employee of the authority, subject to and in accordance with the 
provisions of Sections 11-46-1 through 11-46-19.
SECTION 5. (1) (a) All powers of the authority shall be exercised by a board of directors consisting of one (1) appointed by each of the following: Bear Creek Water Association, a nonprofit corporation; Canton Municipal Utilities; Town of Flora; City of Madison; City of Ridgeland; Pearl River Valley Water Supply District; West Madison Utility District; the Lake Lorman Utility District; and the Board of Supervisors of Madison County. (b) If any appointing public agency or nonprofit corporation, other than the Board of Supervisors of Madison County, shall cease to provide wastewater services for a period of more than six (6) consecutive months, the member appointed by such public agency or corporation shall be removed from the board and the public agency or corporation shall no longer be represented on the board. The board shall determine the facts requiring removal and shall remove the member by action of the board. Removal of a board member under this paragraph shall not affect any contracts previously entered into by the board. (c) Membership in the authority shall be voluntary. Failure to appoint a representative to the board of directors by a public agency or nonprofit corporation within sixty (60) days of the creation of the authority shall exempt such public agency or nonprofit corporation from membership in the authority. However, such agency or nonprofit corporation may apply and be considered for representative membership on the board by the directors at a later date. Representatives appointed to serve on the board of directors as outlined in this subsection (1) shall serve at the will and pleasure of the appointing public agency or nonprofit corporation. (2) Each director shall serve at the will and pleasure of the appointing entity for a term of four (4) years. Any vacancy arising by the expiration of a director's term, or a vacancy created by the removal of a director for any other reason, shall be filled in the same manner as the original appointment.
(3) Notwithstanding the appointive authority herein granted to the Board of Supervisors of Madison County, its legal and actual responsibilities, authority and function, subsequent to the creation of the authority, shall be specifically limited to such appointive function and responsibilities.

(4) The operation, management, abolition, or dissolution of the authority, and all such other matters in connection therewith, shall be vested solely and only in the board of directors, and the operation, management, abolition, or dissolution of the authority shall be accomplished only by the board of directors.

(5) The board of directors of the authority shall elect annually from its membership a president and vice president of the authority and such other officers as, in the judgment of the board, are necessary. The president shall be the chief executive officer of the authority and the presiding officer of the board, and shall have the same right to vote as any other director. The vice president shall perform all duties and exercise all powers conferred by this act upon the president when the president is absent or fails or declines to act, except the president's right to vote. The board also shall appoint a secretary and a treasurer who may or may not be members of the board, and it may combine those offices. The treasurer shall give bond in the sum of not less than Fifty Thousand Dollars ($50,000.00) as set by the board of directors, and each director may be required to give bond in the sum of not less than Ten Thousand Dollars ($10,000.00), with sureties qualified to do business in this state. The premiums on such bonds shall be an expense of the authority. Such bonds shall be payable to the State of Mississippi. The bonds shall be conditioned upon the treasurer or director faithfully performing all duties of his office and accounting for all money or other assets which shall come into his custody as treasurer or director of the authority.
(6) The members of the board of directors of the authority shall serve without salary, but shall be entitled to receive a per diem in the amount provided for in Section 25-3-69. They shall be reimbursed their actual travel and hotel expenses as provided in Section 25-3-41, incurred while in the performance of their duties as members of the board of directors of the authority. Expenses shall be paid from the available funds of the authority.

(7) The board of directors of the authority may increase the number of directors for the authority by adding one (1) representative each for any public agency or nonprofit corporation, which is a provider of wastewater services in Madison County, Mississippi, and which is in existence as of the date of this act or is created subsequent hereto.

SECTION 6. (1) Except as may otherwise be provided for in this act, all business of the authority shall be transacted by vote of the board of directors.

(2) All business of the authority shall be transacted by a simple majority affirmative vote of the total membership of the board of directors and by a concurrent vote of the directors representing sixty percent (60%) of the total wastewater flowage as expressed in million gallons daily (MGD) for use of the wastewater system of the authority during the preceding fiscal year. However, action of the board of directors may be approved by directors representing sixty percent (60%) of the total wastewater flowage as expressed in MGD for the use of the wastewater system of the authority in addition to action by a simple majority vote of the total membership of the board of directors referred to above. The quorum for any meeting of the board of directors shall be a simple majority of the total membership of the board of directors. A determination as to flowage expressed in MGD shall be made for voting purposes on or before December 31 each year for use in the succeeding year.
(a) Industrial wastewater flowage shall not be considered in determining the weight of the vote of a member of the board of directors unless approved by a majority of all board members and sixty (60%) of all nonindustrial flowage. Industrial wastewater is defined as all wastewater generated from an industrial user to include domestic and process wastewater that will be transported to a publicly owned treatment facility.

(b) Should a member of the authority make a cash capital contribution or contribution in kind to the authority in anticipation of capacity or flowage, the board member representing such member shall be entitled to have such contributions converted to flowage as expressed in MGD for voting purposes. Such voting entitlement shall exist until such time as flowage or capacity is realized or depreciated out according to normal accounting procedures.

SECTION 7. (1) The authority is authorized and empowered to acquire wastewater lines; to acquire, construct, improve, enlarge, extend, repair, operate and maintain one or more of its systems used for the transportation, and treatment of wastewater; and to make contracts with any provider in furtherance thereof; to make contracts with any provider, under the terms of which the authority, within Madison County, will transport, treat or dispose of wastewater for such provider. The authority also may enter into contracts with any person to design and construct any wastewater systems, or any other of its treatment facilities or systems and thereafter to purchase, lease, lease-purchase or sell, by installments over such terms as may be deemed desirable, reasonable and necessary, or otherwise, any such system or systems. The authority is authorized to enter into operating agreements with any provider, for such terms and upon such conditions as may be deemed desirable, for the operation of any wastewater systems, or other of its treatment facilities or systems. The authority may lease to or from any person, for such
term and upon such conditions as may be deemed desirable, any wastewater systems. Any such contract may contain provisions requiring any provider to regulate the quality and strength of materials to be handled by the respective treatment system or systems and also may provide that the authority shall have the right to use any streets, alleys and public ways and places within the jurisdiction of a provider during the term of the contract.

SECTION 8. (1) The authority is hereby authorized and empowered to enter into lease agreements with any corporation, partnership, limited partnership, joint venture or individual under which the authority may agree to lease buildings, facilities and/or machinery and equipment for use in connection with the provisions of wastewater treatment services under this act. The primary term of a lease of buildings or facilities shall not exceed twenty (20) years. For the purposes of this section, the term machinery and equipment shall not include office furniture and/or office machines. The primary term of a lease for machinery and equipment shall not exceed the estimated useful economic life of such machinery and equipment, as such useful economic life is mutually agreed upon by the lessor and lessee.

(2) All such leases shall contain an option granting to the authority the right to purchase the leased property upon the expiration of the primary term, or upon such earlier date as may be agreed upon at a price not to exceed the unpaid principal balance at such time.

(3) The authority is authorized to lease real property owned by it to any corporation, partnership, limited partnership, joint venture or individual for the purpose of enabling such person to construct or renovate thereon any of the buildings or facilities described in subsection (1) of this section and to lease such buildings and facilities to the authority.

(4) Subject to the provisions of this section, any such lease agreement may extend over any period, notwithstanding any
provision or rule of law to the contrary, and any such lease
agreement shall be binding upon the authority and any other party
thereto in accordance with its terms. Any such lease agreement
may include, at the discretion of the authority, a pledge of the
full faith and credit of the authority for the payment of its
monetary obligations thereunder; or may contain a provision that
so long as no default of any monetary obligation of the lessee has
occurred, the lessee's obligation to pay any amounts due or
perform any covenants requiring or resulting in the expenditure of
money shall be contingent and expressly limited to the extent of
any specific appropriation made by the authority to fund such
lease agreement, and that nothing contained in the lease agreement
shall be construed as creating any monetary obligation on the part
of the lessee beyond such current and specific appropriation.

(5) This section, without reference to any other statute,
shall be deemed to be full and complete authority for the
authorization, execution and delivery of lease agreements
authorized hereunder, and shall be construed as an additional and
alternative method therefor, and none of the present restrictions,
requirements, conditions and limitations of law applicable to the
acquisition, construction and drawing of buildings, facilities,
machinery or equipment in this state shall apply to lease
agreements under this section, and no proceedings shall be
required for the authorization, execution and delivery of such
leases other than those required herein, and all powers necessary
to be exercised in order to carry out the provisions of this
section are hereby conferred.

SECTION 9. (1) The authority, through its board of
directors, in addition to any and all powers now or hereafter
granted to it, is hereby empowered:

(a) To develop and maintain long-range planning for
wastewater systems from within Madison County and for pollution
abatement.
(b) To adopt and issue a certificate of necessity to use the power of eminent domain, including the right of immediate possession, in the acquisition of real property. Upon the adoption of such certificate of necessity, which shall state the description of the real property needed to be acquired by eminent domain, the authority shall transmit a copy of such certificate to the Board of Supervisors of Madison County, to the governing authorities of any public entity with the power of eminent domain or to any other entity with the power of eminent domain. Such board or entities may initiate proceedings under the provisions of Title 11, Chapter 27, Mississippi Code of 1972. The eminent domain proceedings thereby initiated shall be conducted according to and governed by the provisions of Title 11, Chapter 27, Mississippi Code of 1972.

c) To acquire real and personal property, including, but not limited to, property necessary for the relocation or rerouting of roads and highways, railroad, telephone and telegraph lines and properties, electric power lines, gas pipelines and related facilities, or to require the anchoring or other protection of any of these, provided fair compensation is first paid to the owners thereof or agreement is had with such owners regarding the payment of the cost of such relocation, and to acquire easements or rights-of-way for such relocation or rerouting and to convey the same to the owners of the property being relocated or rerouted in connection with the purpose of this act.

d) To enter into contracts with any provider or any public agency, including, but not limited to, contracts authorized by Section 10 of this act, in furtherance of any of the purposes authorized by this act upon such consideration as the board of directors and such provider may agree. Any such contract may extend over any period of time, notwithstanding any provision or rule of law to the contrary; may be upon such terms as the parties
thereto shall agree; and may provide that it shall continue in
effect until bonds specified therein, refunding bonds issued in
lieu of such bonds, and all other obligations specified therein
are paid or terminated. Any such contract shall be binding upon
the parties thereto according to its terms.

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

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

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

(h) To establish and maintain rates and charges for the
use of the services of such wastewater systems and facilities
within the control of the authority, and from time to time to
adjust such rates, to the end that the revenues therefrom will be
sufficient at all times to pay the expenses of operating and
maintaining such of its works, facilities and treatment systems
and all of the provider's obligations under any contract or bond
resolution with respect thereto.

(i) To adopt rules and regulations necessary to carry
out the implementation of the Madison County wastewater plan and
to assure the payment of each participating provider of its
proportionate share of the costs for use of any of the systems and
facilities of the authority.

(j) So long as any indebtedness on the systems of the
authority remains outstanding, to require by contract with a
provider, that all wastewater within the authority's area be
disposed of through the appropriate treatment system which
comprise a part of the authority's area plan, to the extent that
the same may be available, but no public agency shall be precluded
from constructing, operating and maintaining its own such system.

(k) In addition to the authority to borrow funds and
issue bonds as set forth elsewhere in this act, to borrow money by
issuing its negotiable promissory notes secured by execution of a
deed of trust upon any property owned by the authority, or other
collateral available to or in the possession of the authority.

(2) The authority shall not make contracts for wastewater
transportation and treatment services with any individuals, land
developers, or other agencies or organizations other than bona
fide providers of wastewater collection services who have
certificated area or statutory service area except as otherwise
provided in this act. The authority shall not provide wastewater
collection, transportation or treatment services directly to any
customer but rather shall operate through the retail wastewater
service providers. The authority shall not make rules or
regulations affecting the wastewater collection systems,
transportation systems, or treatment systems of retail wastewater
service providers except to the extent of regulating by contract
with the providers the quantity and strength of wastewater
delivered to the authority.

(3) Notwithstanding any provision of this act to the
contrary, the authority shall not be allowed to (a) invade or
condemn the exclusive service area of any retail wastewater
provider, or (b) curtail the activities of a retail wastewater
service provider, including, but not limited to, activities of
Bear Creek Water Association, Inc., as defined in 7 USC 1926(b),
except by voluntary contract by and between the authority and such
provider.
SECTION 10. (1) Any provider, pursuant to a duly adopted resolution of such provider or public agency, may enter into contracts with the authority under the terms of which the authority, within its designated area, will manage, operate, and contract for usage of its wastewater systems, or other services, for such provider. Any provider may also enter into contracts with the authority for the authority to purchase or sell, by installments over such terms as may be deemed desirable, or otherwise, to any person any wastewater systems. Any provider is authorized to enter into operating agreements with the authority, for such terms and upon such conditions as may be deemed desirable, for the operation of any of its wastewater systems by the authority or by any person contracting with the authority to operate such wastewater systems; and any person or public agency may lease to or from the authority, for such term and upon such conditions as may be deemed desirable, any of its wastewater systems. Any such contract may contain provisions requiring any public agency or other person to regulate the quality and strength of the material to be handled by the wastewater systems and may also provide that the authority shall have the right to use any streets, alleys and public ways and places within the jurisdiction of a public agency or other person during the term of the contract. Such contracts may obligate the public agency to make payments to the authority or to a trustee in amounts which shall be sufficient to enable the authority to defray the expenses of administering, operating and maintaining its respective wastewater systems, to pay interest and principal (whether at maturity upon redemption or otherwise) on bonds of the authority issued under this act and to fund reserves for debt service, for operation and maintenance and for renewals and replacements, and to fulfill the requirements of any rate covenant with respect to debt service coverage contained in any resolution, trust indenture or other security agreement relating to the bonds of the authority issued under this act.
under this act. Any person or public agency shall have the power
to enter into such contracts with the authority as, in the
discretion of the person or governing authorities of the agency,
would be in the best interest of the person or agency. Such
contracts may include a pledge of the full faith and credit of
such person or public agency and/or the avails of any special
assessments made by such person or public agency against property
receiving benefits, as now or hereafter is provided by law. Any
such contract may provide for the sale, or lease to, or use of by
the authority, of the wastewater systems or any part thereof, of
the person or public agency; and may provide that the authority
shall operate its wastewater systems or any part thereof of the
person or public agency; and may provide that any person or public
agency shall have the right to continued use and/or priority use
of the wastewater systems or any part thereof during the useful
life thereof upon payment of reasonable charges therefor; may
contain provisions to assure equitable treatment of persons or
public agencies who contract with the authority under this act;
and may contain such other provisions and requirements as the
parties thereto may determine to be appropriate or necessary.
Such contracts may extend over any period of time, notwithstanding
any provisions of law to the contrary, and may extend beyond the
life of the respective wastewater systems or any part thereof or
the term of the bonds sold with respect to such facilities or
improvements thereto.

(2) The obligations of a provider arising under the terms of
any contract referred to in this act, whether or not payable
solely from a pledge of revenues, shall not be included within the
indebtedness limitations of the provider for purposes of any
constitutional or statutory limitation or provision. To the
extent provided in such contract and to the extent such
obligations of the provider are payable wholly or in part from the
revenues and other monies derived by the provider from the
operation of its wastewater systems, or any part thereof, such
obligations shall be treated as expenses of operating such
wastewater systems.

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

(4) Payments made, or to be made, to the authority by a
provider under a contract for any of its wastewater systems, or
any part thereof, shall not be subject to approval or review by
the Mississippi Public Service Commission.

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

(6) No provision of this act shall be construed to prohibit
any provider, otherwise permitted by law to issue bonds, from
issuing bonds in the manner provided by law for the construction,
renovation, repair or development of any of the authority's
wastewater systems, or any part thereof, owned or operated by such
provider.
wastewater systems, or any part thereof, or a combination of such wastewater systems, the duty is hereby imposed on the provider to establish and maintain and, from time to time, to adjust the rates charged by the provider for the services of such wastewater systems, so that the revenues therefrom, together with any taxes and special assessments levied in support thereof, will be sufficient at all times to pay: (a) the expense of operating and maintaining such wastewater systems including all of the provider's obligations to the authority, its successors or assigns under such contract; and (b) all of the provider's obligations under and in connection with revenue bonds theretofore issued, or which may be issued thereafter and secured by the revenues of such wastewater systems. Any such contract may require the use of consulting engineers and financial experts to advise the provider whether and when such rates are to be adjusted.

SECTION 12. (1) The Madison County Wastewater Authority shall have the power and is hereby authorized, from time to time, to borrow money and to issue revenue bonds in such principal amounts as the Madison County Wastewater Authority may determine to be necessary to provide sufficient funds for achieving the purposes of this act, including:

(a) Defraying the cost of the acquisition, construction, improvement, repair or extension of its wastewater systems, or any part thereof, whether or not such facilities are owned by the authority;

(b) The payment of interest on bonds of the authority issued under this act;

(c) Establishing reserves to secure such bonds and payment of the interest thereon; and

(d) Paying expenses incident to the issuance of such bonds and to the implementation of the authority's wastewater systems, and all other expenditures of the authority incident to or necessary or convenient to carry out the purposes of this act.
(2) Before issuing bonds (other than interim notes or refunding bonds as provided in Section 13 of this act) hereunder, the board of directors of the authority first shall hold a public hearing with due notice of the time, date and place of said hearing published in a newspaper of general circulation in Madison County, Mississippi. Upon an affirmative vote of the board of directors approving the resolution of intent, the board of directors shall adopt a resolution declaring its intention to issue such bonds and stating the maximum principal amount of bonds proposed to be issued, a general generic description of the proposed improvements and the proposed location thereof and the date, time and place at which the board of directors proposes to take further action with respect to the issuance of such bonds. The board of directors then shall cause the resolution of intent to be published once a week for at least three (3) consecutive weeks in at least one (1) newspaper having a general circulation within the geographical limits of Madison County, Mississippi. The first publication of such resolution shall be made not less than twenty-one (21) days before the date fixed in such resolution to direct the issuance of the bonds and the last publication shall be made not more than seven (7) days before such date.

(3) Bonds of the authority issued under this act shall be payable from, and secured by, a pledge of all or any part of the revenues under any contract entered into pursuant to this act, and from all or any part of the revenues derived from the operation of the wastewater systems, or any part thereof, and any other monies legally available therefor, as may be determined by the authority, subject only to any agreement with the purchasers of the bonds. Such bonds may be further secured by a trust indenture between the authority and a corporate trustee, which may be any trust company or bank having powers of a trust company without or within the state.
(4) Bonds of the authority issued under this act shall be authorized by a resolution or resolutions adopted by the board of directors of the authority. Such bonds shall bear such date or dates, mature at such time or times, bear interest at such rate or rates (not exceeding the maximum rate set out in Section 75-17-103), be in such denomination or denominations, be in such form, carry such conversion privileges, have such rank or priority, be executed in such manner and by such officers, be payable from such sources in such medium of payment at such place or places within or without the state, provided that one (1) such place shall be within the state, and be subject to such terms of redemption prior to maturity, all as may be provided by resolution or resolutions of the board of directors.

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

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

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

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

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

SECTION 13. The authority, by resolution adopted by its board of directors, may issue refunding bonds for the purpose of paying any of its bonds at or prior to maturity or upon acceleration or redemption. Refunding bonds may be issued at such time prior to the maturity or redemption of the refunded bonds as the board of directors deems to be in the public interest, without an election on the question of the issuance thereof. The refunding bonds may be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium thereon, any interest accrued or to accrue to the date of payment of such bonds, the expenses of issue of the refunding bonds, the expenses of redeeming the bonds being refunded, and such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds as may
be required by the resolution, trust indenture or other security instruments. The issue of refunding bonds, the maturities and other details thereof, the security therefor, the rights of the holders and the rights, duties and obligations of the authority in respect to the same shall be governed by the provisions of this act relating to the issue of bonds other than refunding bonds insofar as the same may be applicable. Any such refunding may be effected, whether the obligations to be refunded shall have then matured or shall thereafter mature, either by the exchange of the refunding bonds for the obligations to be refunded thereby with the consent of the holders of the obligations so to be refunded, or by sale of the refunding bonds and the application of the proceeds thereof to the payment of the obligations proposed to be refunded thereby, and regardless of whether the obligations proposed to be refunded shall be payable on the same date or different dates or shall be due serially or otherwise.

SECTION 14. (1) Owners of property who own a certificate of public convenience and necessity, or who are located in an area served by an existing provider, may contract with the authority only for the purpose of wastewater system improvements financed pursuant to this section, with the approval of the affected provider, or may contract with the authority and the affected provider, to provide improvements in order to provide wastewater services.

(2) The authority is authorized to issue special assessment bonds to finance wastewater system improvements by levying and collecting special assessments against the property benefited thereby. The amount borrowed may include that portion of the cost of such improvements to be paid by the issuing entity.

(3) When the authority shall determine to construct such wastewater system improvements, the cost of which, or any part thereof, is to be assessed against the property benefited, it shall adopt a resolution declaring necessary the proposed
improvement describing the nature and extent of the work, the
general character of the material to be used and the location and
terminal points of the improvements or clearly define the boundary
of areas in which such improvements are to be made. In publishing
such resolution declaring the work necessary, the plans and
specifications of such work need not be published but may be
referred to as being on file in the office of the authority. Such
resolution shall fix a date when the governing body shall meet,
which shall be not less than fifteen (15) days after the date of
the first publication of the notice herein provided for, to hear
any objection or remonstrance that may be made to such
improvements. The notice herein provided for shall be published
once each week for three (3) successive weeks in a public
newspaper having a general circulation in Madison County. The
authority shall also send a copy of the notice, by certified mail,
postage prepaid, within five (5) days after the first publication
of the notice herein provided for, to the owners of property
affected by the resolution at the address shown on the land rolls
last approved by the county. However, failure of the clerk to
mail such notice, or failure of the owner to receive such notice,
shall not invalidate any proceedings in this section, where such
notice has been published as provided herein. Notice declaring
the work necessary shall be notice to the property owners that the
work has been declared necessary.

(4) At the meeting provided for by subsection (3) of this
section, or at a time and place to which such meeting may be
adjourned, any person aggrieved may appear in person, by attorney
or by petition, and may object to or protest against the
improvement or any part thereof. The governing body shall
consider the objections and protests, if any, and may confirm,
amend, modify or rescind the resolution of necessity, and shall
determine whether the improvement shall be made and how the cost
shall be paid. The determination of the authority shall be final
and conclusive.

(5) The resolution determining to proceed with the
improvements may direct that the cost and expense of the
improvements authorized, or such part as the authority shall fix,
shall be a charge upon the property benefited. In such resolution
the authority shall direct that the whole, or such part of the
cost and expense thereof as it shall fix, shall be assessed
against the benefited property. The resolution shall define the
entire area to be benefited by the improvement and shall direct
that the cost be assessed against each lot or parcel of land as
the amount of special tax for the owner's part of the cost of the
entire improvement.

(6) The full faith, credit and resource of the authority may
be pledged for the payment of the principal and interest on such
obligations, and the special assessments levied against the
property benefiting from the special improvements to be made
hereunder shall be pledged for the payment of such obligations.
All funds derived for special assessments levied against the
property benefiting from the improvements shall be placed into a
special assessment bond fund and shall be used only for the
purpose of paying principal and interest on such obligations. Any
surplus funds may be invested as provided by law and may be used
to pay such obligation at or before maturity.

(7) The obligations authorized to be issued by this section
may be issued at any time after the estimated cost of the
improvements shall have been ascertained by the authority and the
amount of indebtedness thereby incurred shall not exceed the
estimated cost of such improvements.

(8) All obligations issued pursuant to this section shall
mature not longer than twenty (20) years from the date thereof.
Other details regarding issuance of the bonds shall be as provided
in the applicable provisions of Section 12 of this act and such
other applicable provisions as appropriate.

(9) All special assessments levied under the provisions of
this section, unless otherwise provided by the authority, shall
become due and shall be paid to the Madison County Tax Collector
in full within ninety (90) days from the date of confirmation
thereof. However, the authority may, by resolution, confer upon
the property owners the privilege of paying the assessment in not
exceeding twenty (20) installments with interest from the date of
the special assessment bonds at the average rate as that fixed in
the bonds issued to raise money to pay the cost of the
improvements, which is to be paid in whole or in part by the owner
of the property benefited thereby. The installments of the
assessment shall be due and payable at the same time that the
annual real property tax becomes due and payable commencing with
the first tax levy which is payable after the issuance of special
assessment bonds of such levying authority. The tax collector
shall remit payments to the authority within thirty (30) days
after receipt thereof.

(10) The authority shall annually certify to the tax
collector, or other officer charged with the duty of collecting
taxes in the area in which the property assessed is located, the
annual installment of assessment due for each tract of land
against which an assessment has been levied, together with the
amount of the interest on all unpaid installments at the average
interest rate of the bonds issued to raise money to pay the cost
of the improvement, which is to be paid in whole or in part by the
owners of property benefited by the proposed improvements. Any
property owner who has elected to pay his assessment in
installments shall have the right at any time to pay the balance
of the assessment against his assessment in full, but in so doing
he shall be required to pay all accrued interest thereon. The
collector shall thereupon enter upon the annual tax roll of the
county, in a separate column, the amount of the installment and
interest to be collected from each tract of land assessed, and the
collector shall collect the installment together with the interest
on all unpaid installments, at the same time he collects the
annual tax.

(11) (a) If, after the original assessment shall have been
made, the owner of the entire lot or parcel of land so assessed in
solido desires that a change or division of the assessment be
made, then such owner, or other party interested therein, may
apply to the Madison County Tax Assessor for a change or division
of the assessment.

(b) If, after the original assessment shall have been
made, a portion of any lot or parcel of land so assessed in
solido, shall have changed ownership so that no one (1) person is
the owner of the entire lot or parcel of land so assessed in
solido, then such owner or other party interested therein, may
apply to the Madison County Tax Assessor for a change or division
of the assessment. Such application shall be in writing, filed
with the assessor, under the same notice as provided in Section
21-41-31.

(c) If the assessor is satisfied that the land in each
instance will be adequate security for the assessment placed
thereon, and that the rights of the authority will not be
adversely affected, he may order the change or divide the
assessments as requested. The decision of the assessor as to the
right to change or divide assessments may be appealed to the
governing body of the authority, whose decision shall be final.
Any aggrieved party shall have the right to appeal the decisions
of the authority.

(12) The provisions of Sections 21-41-7, 21-41-11, 21-41-13,
21-41-15, 21-41-21, 21-41-23, 21-41-25, 21-41-27, 21-41-29,
21-41-31, 21-41-33, 21-41-35, 21-41-37 and 21-41-39 are hereby
incorporated by reference for purposes of implementing the
authority granted by this section, except that if such provisions
conflict with the provisions of this act, the provisions of this
act shall prevail. Any authority granted by any reference in such
sections to Chapter 41 of Title 21, Mississippi Code of 1972, or
any section thereof, shall be effective in granting such authority
pursuant to this section. Where appropriate, references to the
municipality or any board or official thereof shall be deemed to
refer to the authority, its governing body or any official
thereof.

(13) No special assessment or contract for improvements
shall be authorized pursuant to this section without the approval
of the wastewater services provider whose certificate or statutory
service area within which the special assessment and improvement
shall occur.

SECTION 15. All bonds (other than refunding bonds, interim
notes and certificates of indebtedness, which may be validated)
issued pursuant to this act shall be validated as now provided by
law in Sections 31-13-1 through 31-13-11, which constitute the
Validation of Public Bonds Act. Such notice shall be published at
least once in a newspaper or newspapers having a general
circulation within Madison County, Mississippi. Such validation
proceedings shall be instituted in the Chancery Court of Madison
County. The validity of the bonds so validated, and of the
contracts and payments to be made by the public agencies,
thereunder constituting security for the bonds, shall be forever
conclusive against the authority and the public agencies which are
parties to said contracts; and the validity of said bonds and said
contracts and the payments to be made thereunder shall never be
called in question in any court in this state.

SECTION 16. Bonds issued under the provisions of this act
shall be payable solely from the revenues or assets of the
authority pledged therefor. Each bond issued under this act shall
contain on its face thereof a statement to the effect that the
authority shall not be obligated to pay the same nor the interest thereon except from the revenues or assets pledged therefor.

SECTION 17. The authority shall have power in connection with the issuance of its bonds to:

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

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

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

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

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

(f) Covenant as to the custody, collection, securing, investment and payment of any revenues, assets, monies, funds or property with respect to which the authority may have any rights or interest.
(g) Covenant as to the purposes to which the proceeds from the sale of any bonds then or thereafter to be issued may be applied, and the pledge of such proceeds to secure the payment of the bonds.

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

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

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

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

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

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

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

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

SECTION 18. For the purposes of satisfying any temporary cash flow demands and deficiencies, and to maintain a working balance for the authority, the Board of Supervisors of Madison County or other providers are authorized to advance, at any time, such funds which, in its discretion, are necessary, or borrow such funds by issuance of notes, for initial capital contribution and to cover start-up costs until such times as sufficient bonds, assets and revenues have been secured to satisfy the needs of the authority for its management, operation and formation. To this end, the Board of Supervisors of Madison County or other providers may advance such funds, or borrow such funds by issuance of notes, under such terms and conditions as may be provided by resolution of the Board of Supervisors of Madison County or other providers, except that each such resolution shall state:

(a) The need for the proceeds advanced or borrowed;
(b) The amount to be advanced or the amount to be borrowed;
(c) The maximum principal amount of any note issued, the interest rate or maximum interest rate to be incurred and the maturity date of said note.

In addition, the Board of Supervisors of Madison County or other providers may arrange for lines of credit with any bank, firm or person for the purpose of providing an additional source of repayment for notes issued pursuant to this section. Amounts drawn on a line of credit may be evidenced by negotiable or nonnegotiable notes or other evidences of indebtedness and contain such terms and conditions as the Board of Supervisors of Madison
County or other providers may authorize in the resolution approving the same.

The Board of Supervisors of Madison County or other providers may authorize the repayment of such advances, notes, lines of credit and other debt incurred under this section, along with all costs associated with the same, including, but not limited to, rating agency fees, printing costs, legal fees, bank or trust company fees, line of credit fees and other charges to be reimbursed by the authority under such terms and conditions as are reasonable and are to be provided for by resolution of the Board of Supervisors of Madison County or terms agreed upon with other providers.

Under this section, the board of supervisors shall not have the authority to contribute substantial amounts for capital improvements to the authority from proceeds derived from ad valorem taxes.

SECTION 19. The authority, in any authorizing resolution of the board of directors, trust indenture or other security instrument relating to its bonds, may provide for the appointment of a trustee who shall have such powers as are provided therein to represent the registered owners of any issue of bonds in the enforcement or protection of their rights under any such resolution, trust indenture or security instrument. The authority also may provide in such resolution, trust indenture or other security instrument that the trustee, or in the event that the trustee so appointed shall fail or decline to so protect and enforce such registered owners' rights, then such percentage of registered owners as shall be set forth in, and subject to the provisions of, such resolution, trust indenture or other security instrument, may petition the court of proper jurisdiction for the appointment of a receiver of the authority’s wastewater systems for the revenues of which are pledged to the payment of the principal of and interest on the bonds of such registered owners.
Such receiver may exercise any power as may be granted in any such
resolution, trust indenture or security instrument to enter upon
and take possession of, acquire, construct or reconstruct or
operate and maintain the authority's wastewater systems; fix,
charge, collect, enforce and receive all revenues derived from
such of the wastewater systems; and perform the public duties and
carry out the contracts and obligations of the authority in the
same manner as the authority itself might do, all under the
direction of such court.

SECTION 20. (1) The exercise of the powers granted by this
act will be in all respects for the benefit of the people of the
State of Mississippi, for their well-being and prosperity and for
the improvement of their social and economic conditions, and the
authority shall not be required to pay any tax or assessment on
any property owned by the authority under the provisions of this
act or upon the income therefrom; nor shall the authority be
required to pay any recording fee or transfer tax of any kind on
account of instruments recorded by it or on its behalf.

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

SECTION 21. All bonds issued under the provisions of this
act shall be legal investments for trustees, other fiduciaries,
savings banks, trust companies and insurance companies organized
under the laws of the State of Mississippi; and such bonds shall
be legal securities which may be deposited with and shall be
received by all public officers and bodies of the state and all
municipalities and other political subdivisions thereof for the
purpose of securing the deposit of public funds.

SECTION 22. The State of Mississippi hereby covenants with
the registered owners of any bonds of the authority that, so long
as the bonds are outstanding and unpaid, the State of Mississippi will not limit or alter the rights and powers of the authority under this act to conduct the activities referred to herein in any way pertinent to the interests of the bondholders, including the authority's right to charge and collect rates, fees and charges and to fulfill the terms of any covenants made with the registered owners of the bonds, or in any other way impair the rights and remedies of the registered owners of the bonds, unless provision made under the terms of the bonds or the resolution, trust indenture or security interest securing the bonds.

SECTION 23. The provisions of this act are cumulative to other statutes now or hereafter enacted relating to the issuance of bonds or the components which make up the authority's wastewater systems and to the design, construction, acquisition or approval of facilities for such purposes, and any public agency may exercise all presently held powers in the furtherance of this act; provided that the authority may issue bonds only under the provisions of this act.

SECTION 24. The activities of the Madison County Wastewater Authority authorized herein shall not be subject to review or regulation by the Mississippi Public Service Commission.

SECTION 25. This act shall take effect and be in force from and after its passage.