

By: Representative Woods

To: Local and Private
Legislation

HOUSE BILL NO. 1639

1 AN ACT TO AMEND CHAPTER 1039, LOCAL AND PRIVATE LAWS OF 1999,
2 AS AMENDED BY CHAPTER 940, LOCAL AND PRIVATE LAWS OF 2002, TO
3 REVISE THE LENGTH OF THE TERM OF CONTRACTS; TO PROVIDE THE
4 AUTHORITY TO ESTABLISH CERTAIN FEES; TO AUTHORIZE THE BOARD OF
5 SUPERVISORS TO LEASE OR DONATE OFFICE SPACE AND EQUIPMENT TO THE
6 AUTHORITY; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Chapter 1039, Local and Private Laws of 1999, is
9 amended as follows:

10 Section 1. The purpose of this act is to authorize a
11 cooperative effort by any contiguous area situated within DeSoto
12 County, including the areas situated within the corporate
13 boundaries of any existing municipality and other eligible
14 municipalities, public agencies and political subdivisions, for
15 the acquisition, construction and operation of user funded
16 sewerage systems, sewage treatment systems, and water, wastewater
17 and wastewater treatment systems, in order to prevent and control
18 the pollution of the waters in this state by the creation of a
19 DeSoto County Regional Utility Authority. This act may be cited
20 as the "DeSoto County Regional Utility Authority Act."

21 Section 2. Words and phrases used in this act shall have
22 meanings as follows:

23 (a) "Authority" means the DeSoto County Regional
24 Utility Authority created under this act to serve the metropolitan
25 area or a designated portion thereof, as set forth in the
26 resolution creating or expanding the authority.

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



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

33 (d) "Groundwater" means that water occurring beneath
34 the surface of the ground.

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

38 (f) "Horn Lake Creek Basin Interceptor Sewer District"
39 means the entity created by Chapter 627, Local and Private Laws of
40 1971, as amended by Chapter 952, Local and Private Laws of 1980,
41 as amended by Chapter 880, Local and Private Laws of 1990, as
42 amended by Chapter 910, Local and Private Laws of 1992.

43 (g) "Member agency" means the unincorporated contiguous
44 area of DeSoto County and any public agency which elects to become
45 a constituent member of the authority upon its organization, and
46 which is admitted to the authority by affirmative vote of the
47 board of directors of such authority, and pursuant to the
48 resolution creating the authority in accordance with the
49 provisions of Section 3 of this act.

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

59 (i) "Metropolitan area plan" means a comprehensive plan
60 for sewerage systems and sewage treatment systems, wastewater and
61 wastewater treatment systems within the metropolitan area,



62 consistent with standards established pursuant to applicable
63 federal and state law.

64 (j) "Municipality" means any incorporated city, town,
65 or village of the State of Mississippi, whether operating under
66 general law or under special charter, lying wholly or partly
67 within the metropolitan area.

68 (k) "Person" means the State of Mississippi, a
69 municipality, any public agency or any other city, town, village
70 or political subdivision or governmental agency of the State of
71 Mississippi or of the United States of America, or any private
72 utility, individual, copartnership, association, firm, trust,
73 estate or any other entity whatsoever. For the purposes of this
74 act, the term "person" shall also include the Horn Lake Creek
75 Basin Interceptor Sewer District.

76 (l) "Public agency" means any county, municipality, or
77 persons, as are defined herein, lying wholly or partially within
78 the metropolitan area, any state board or commission owning or
79 operating properties within a metropolitan area, a district
80 created pursuant to Sections 51-9-101 through 51-9-163 or Sections
81 19-5-151 through 19-5-257, or any other political subdivision of
82 the State of Mississippi lying wholly or partially within a
83 metropolitan area and having the power to own and operate
84 waterworks, water supply systems, sewerage systems, treatment
85 facilities, sewage treatment systems, or other facilities or
86 systems for the collection, transportation, treatment and
87 treatment of water, sewerage and wastewater.

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

92 (n) "Sewerage system" means pipelines or conduits,
93 canals, pumping stations and force mains, and all other
94 structures, devices, facilities and appliances appurtenant



95 thereto, used for collecting or conducting waste to an ultimate
96 point for treatment.

97 (o) "Treatment facilities" means any plant, treatment
98 field, lagoon, pumping station, constructing drainage ditch or
99 surface water intercepting ditch, canal, incinerator, area devoted
100 to sanitary landfills or other works not specifically mentioned
101 herein, installed for the purpose of treating, neutralizing,
102 stabilizing or disposing of waste or facilities to provide cooling
103 water to collect, control and dispose of waste heat.

104 (p) "Treatment systems" means the collective or
105 individual systems for collecting, transferring, treating and
106 disposing of sewage, water, wastewater, and groundwater, or its
107 particular individual substance, and including all treatment
108 facilities, pipelines, conduits, pumping stations and all other
109 structures, devices and appliances appurtenant thereto, including
110 land and right-of-way thereto.

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

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

119 (s) "Waterworks" means all works, plants or other
120 facilities necessary for the purpose of collecting, storing,
121 treating and transporting water for domestic, municipal,
122 commercial, industrial, agricultural and manufacturing purposes,
123 including open channels.

124 Section 3. (1) The formation of the DeSoto County Regional
125 Utility Authority, hereinafter referred to as the authority, shall
126 be conducted in accordance with the provisions of this section.
127 The DeSoto County Board of Supervisors is authorized to file a



128 petition with the Chancery Court of DeSoto County, for approval of
129 the formation of the DeSoto County Regional Utility Authority,
130 which may be joined in by any municipality or public agency lying
131 wholly or partly within the metropolitan area, for the
132 organization of the authority in this state. When organized in
133 accordance with the provisions of this act, the authority shall be
134 a political subdivision of the State of Mississippi and shall have
135 the powers granted to the authority under this act.

136 (2) (a) Before the DeSoto County Board of Supervisors files
137 its petition with the chancery court, one (1) of the following
138 must occur:

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

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

146 (b) The petition or resolution shall include the
147 following:

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

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

151 (iii) The proposed boundaries of the district;

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

157 (v) A statement of whether the DeSoto County Board
158 of Supervisors intends to levy a tax in support of the authority;

159 and



160 (vi) A statement of whether the DeSoto County
161 Board of Supervisors intends to make assessments in support of the
162 authority.

163 (3) Any petition for formation shall be signed in person by
164 the petitioners, shall set forth their respective addresses, and
165 shall be accompanied by a sworn statement that each signature is
166 the signature of the person it purports to be and that each person
167 so signing was at the time of signing an owner of real property
168 within DeSoto County.

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

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



192 (6) Upon the public hearing, should the DeSoto County Board
193 of Supervisors determine that the public convenience and necessity
194 require the creation of the district, and that the creation of the
195 district is economically sound and desirable, the DeSoto County
196 Board of Supervisors shall adopt a resolution making the aforesaid
197 findings and declaring its intention to create the authority on a
198 date to be specified and designating the name of the proposed
199 district and its territorial limits. The resolution shall further
200 state the authority of the authority to levy taxes and make
201 assessments.

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

212 (8) If twenty percent (20%) or one thousand five hundred
213 (1,500), whichever is less, of the qualified electors of the
214 proposed district file a written petition with the DeSoto County
215 Board of Supervisors on or before the date specified for the
216 creation of the authority, protesting against the creation of such
217 district, the DeSoto County Board of Supervisors shall call an
218 election on the question of the creation of such district. Such
219 election shall be held and conducted by the election commissioners
220 of the county as nearly as practicable in accordance with the
221 general laws governing elections, the election commissioners shall
222 determine which of the qualified electors of such county who
223 reside within the proposed metropolitan area plan shall be
224 entitled to vote in such election. Notice of the election setting



225 forth the time, place or places, and purpose of such election
226 shall be published by the Clerk of the DeSoto County Board of
227 Supervisors, within the time periods and in the manner provided in
228 Section 3(5) of this act for the publication of the resolution of
229 intent. The ballots to be prepared and used at the election shall
230 be in substantially the following form:

231 FOR CREATION OF DESOTO COUNTY REGIONAL UTILITY AUTHORITY
232 DISTRICT ()
233 AGAINST CREATION OF DESOTO COUNTY REGIONAL UTILITY AUTHORITY
234 DISTRICT ()

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

237 If three-fifths (3/5) of those voting in the election for the
238 creation of the authority vote in favor of the creation of the
239 authority, the DeSoto County Board of Supervisors shall adopt a
240 resolution creating the district as described in the resolution of
241 intent.

242 (9) Upon adopting a resolution creating the authority, the
243 DeSoto County Board of Supervisors shall transmit to the DeSoto
244 County Chancery Court Clerk the resolution of the DeSoto County
245 Board of Supervisors approving the creation of the authority, a
246 copy of all affidavits verifying the publication of all required
247 notices, the minutes of any hearings before the DeSoto County
248 Board of Supervisors regarding the formation of the authority, and
249 the results of any elections held under Section 3(8) of this act.
250 The DeSoto County Chancery Court Clerk shall then file the
251 documents, enter them on the docket of the DeSoto County Chancery
252 Court and promptly notify the DeSoto County Chancellor in writing
253 that the papers are on file and the cause has been docketed. The
254 chancellor shall then notify the chancery court clerk to set the
255 matter for hearing at some future date, not less than ten (10)
256 days thereafter, and the clerk shall give not less than five (5)
257 days' notice by making at least one (1) publication in some paper



258 published in DeSoto County, addressed to the taxpayers and
259 qualified electors of the proposed metropolitan area plan and all
260 other persons interested. The notice shall state the date, place
261 and time of such hearing; state that a petition has been filed to
262 organize the DeSoto County Regional Utility Authority under the
263 provisions of this act, describe the proposed metropolitan area,
264 and command that any interested persons appear before the DeSoto
265 County Chancery Court or the chancellor in vacation on the date
266 and hour of the hearing to show cause, if any they can, why the
267 proposed authority should not be organized and established as set
268 forth in the resolution of the DeSoto County Board of Supervisors.

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

279 If at the time of hearing, any taxpayers, qualified electors
280 of the proposed metropolitan area plan or other persons interested
281 appear and file, or have filed written objection to the formation
282 of the authority, then the chancellor, or the DeSoto County
283 Chancery Court Clerk if the chancellor be not present, shall set
284 the case over for another day convenient to the chancellor, not
285 less than ten (10) days thereafter, and shall notify the DeSoto
286 County Board of Supervisors board attorney to appear and attend
287 the hearing. At the hearing, the chancellor may hear additional
288 competent, relevant and material evidence as the chancellor, in
289 his discretion, deems necessary, pursuant to the applicable rules
290 to such evidence in the chancery court, so as to inquire into the



291 validity of the formation of the authority, and enter a decree in
292 accordance with his findings.

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

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

308 Section 4. All powers of the authority shall be exercised by
309 a board of directors consisting of seven (7) members, to be
310 selected and composed as follows:

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

320 (b) Upon their initial appointment, one (1) of the
321 directors shall be appointed for a term of one (1) year; one (1)
322 of the directors shall be appointed for a term of two (2) years;
323 one (1) of the directors shall be appointed for a term of three



324 (3) years; one (1) of the directors shall be appointed for a term
325 of four (4) years; one (1) of the directors shall be appointed for
326 a term of five (5) years. Additionally, of those appointees
327 designated as at-large appointees by the DeSoto County Board of
328 Supervisors, one (1) of the at-large directors shall be appointed
329 for a term of two (2) years; and one (1) of the at-large directors
330 shall be appointed for a term of four (4) years. At the
331 expiration of the initial terms, each director shall thereafter be
332 appointed to a term of four (4) years. Any vacancy arising by the
333 expiration of a director's term, or a vacancy created by the
334 removal of a director for any other reason, shall be filled by
335 appointment made by the party originally responsible for the
336 appointment of the director vacating his or her appointment.

337 (c) Notwithstanding the appointive authority herein
338 granted to the DeSoto County Board of Supervisors, its legal and
339 actual responsibilities, authority and function, subsequent to the
340 creation of the authority, shall be specifically limited to such
341 appointive function and responsibilities.

342 (d) The operation, management, abolition, or
343 dissolution of the authority, and all such other matters in
344 connection therewith, shall be vested solely and only in the board
345 of directors to the specific exclusion of the DeSoto County Board
346 of Supervisors, and the operation, management, abolition, or
347 dissolution of the authority shall be accomplished only by the
348 authority of the board of directors.

349 (e) The board of directors of the authority shall elect
350 annually from its number a president and vice president of the
351 district and such other officers as, in the judgment of the board,
352 are necessary. The president shall be the chief executive officer
353 of the authority and the presiding officer of the board, and shall
354 have the same right to vote as any other director. The vice
355 president shall perform all duties and exercise all powers
356 conferred by this act upon the president when the president is



357 absent or fails or declines to act, except the president's right
358 to vote. The board also shall appoint a secretary and a treasurer
359 who may or may not be members of the board, and it may combine
360 those offices. The treasurer shall give bond in the sum of not
361 less than Fifty Thousand Dollars (\$50,000.00) as set by the board
362 of directors, and each director may be required to give bond in
363 the sum of not less than Ten Thousand Dollars (\$10,000.00), with
364 sureties qualified to do business in this state, and the premiums
365 on said bonds shall be an expense of such authority. Each such
366 bond shall be payable to the State of Mississippi; the condition
367 of each such bond shall be that the treasurer or director will
368 faithfully perform all duties of his office and account for all
369 money or other assets which shall come into his custody as
370 treasurer or director of the authority.

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

380 Section 5. (1) Except as may otherwise be provided for in
381 this act, all business of the authority shall be transacted by
382 vote of the board of directors.

383 (2) Except as provided in Section 4 and Section 10, all
384 business of the authority shall be transacted by a simple majority
385 affirmative vote of the total membership of the board of directors
386 and by a concurrent vote of the directors representing the simple
387 majority of the total flowage usage of the treatment systems of
388 the authority during the preceding fiscal year. The quorum for
389 any meeting of the board of directors shall be a simple majority



390 of the total membership of the board of directors and the presence
391 of directors representing a simple majority of the proportional
392 use of the treatment systems of the authority during the fiscal
393 year.

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



422 the jurisdiction of a public agency or other person during the
423 term of the contract.

424 (2) The authority shall have the duty and responsibility to
425 exercise general supervision over the design, construction,
426 operation and maintenance of water, sewerage or wastewater
427 treatment systems; to adopt rules governing the design,
428 construction or installation, operation and maintenance of water,
429 sewerage or wastewater treatment systems; to adopt rules
430 establishing performance standards for water, sewerage or
431 wastewater treatment systems and rules concerning the operation
432 and maintenance of the same. Such rules and regulations may
433 include the implementation of a standard application form for the
434 installation, operation and maintenance of such treatment systems;
435 application review; approval or denial procedures for any proposed
436 system; inspection, monitoring, and reporting guidelines; and
437 enforcement procedures.

438 (3) No owner, lessee, developer or person shall construct or
439 place a residence, building, facility or development which may
440 require the installation of a water, sewerage or wastewater
441 treatment system, nor shall any owner, lessee, developer or person
442 design, construct or install such a system, without having first
443 submitted a notice of intent to the authority. Upon receipt of
444 the notice of intent, the board of directors shall provide the
445 party giving notice with complete information regarding the rules,
446 regulations and guidelines for the design, construction,
447 installation, operation and maintenance of water, sewerage and
448 wastewater treatment systems. No water, sewerage or wastewater
449 treatment systems shall be installed without proof of the
450 submission of the notice of intent required by this section and
451 the approval of the same by the board of directors.

452 (4) Within ten (10) working days following the receipt of
453 complete information as required by the rules, regulations and
454 guidelines for the design, construction, installation, operation



455 and maintenance of water, sewerage and wastewater treatment
456 systems, as applicable, by an owner, lessee, developer or person
457 of any lot or tract of land, the board of directors shall make
458 recommendations to the owner, lessor, developer or person as to
459 the type or types of systems suitable for installation and
460 compatible with the existing treatment systems of the authority.
461 Approval by the board of directors of any system is required
462 before the installation, operation or maintenance of any system,
463 and no owner, lessee, developer or person shall design, construct
464 or install a system that does not comply with this act; however,
465 the board of directors may grant variances from the requirements
466 of this act as deemed necessary and appropriate. Any owner,
467 lessee, developer or person responsible for the design,
468 construction or installation of a system shall sign and file with
469 the authority an affidavit that the system complies with this act
470 as a part of the complete information filing required in this
471 subsection (4).

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

480 (6) Any system of any municipality, public agency or other
481 persons which becomes connected with, or tied into, the treatment
482 systems of the authority, * * * shall be subject to its
483 jurisdiction and the terms of this act. * * *

484 Section 7. The authority, through its board of directors, in
485 addition to any and all powers now or hereafter granted to it, is
486 hereby empowered:



487 (a) To develop and maintain long-range planning for
488 collection and treatment systems of water, sewerage, wastewater
489 and groundwater from within the metropolitan area and for
490 pollution abatement.

491 (b) Any municipality, public agency or other person
492 being a member agency, or being connected with, or tied into, the
493 treatment systems of the collection, transportation and treatment
494 may agree to use its respective eminent domain powers for the
495 benefit of the authority and at the cost of the authority as set
496 forth hereinafter in this paragraph (b) to acquire such property,
497 easements, rights-of-way and other property interests as may be
498 required and requested by the board of directors.

499 The authority may reimburse or pay all costs, including
500 professional fees, along with damages awarded in connection with
501 the exercise of such eminent domain power to such member agency or
502 other entity which has agreed to exercise its eminent domain
503 powers under the terms of this act.

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 including a term which extends beyond the
545 term of the then majority of the existing board members,
546 notwithstanding any provision or rule of law to the contrary; may
547 be upon such terms as the parties thereto shall agree; and may
548 provide that it shall continue in effect until bonds specified
549 therein, refunding bonds issued in lieu of such bonds, and all
550 other obligations specified therein are paid or terminated. Any
551 such contract shall be binding upon the parties thereto according
552 to its terms.



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

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

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

566 (h) To establish and maintain service rates and
567 charges, including, but not limited to, tap fees, development fees
568 and impact fees, for the use of the services of such of the
569 systems and facilities within the control of the authority, and
570 within the metropolitan area, and from time to time to adjust such
571 rates, to the end that the revenues therefrom will be sufficient
572 at all times to pay the expenses of operating and maintaining such
573 of its works, facilities and treatment systems and all of the
574 municipality's obligations under any contract or bond resolution
575 with respect thereto.

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

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



586 which such public agency or subdivision thereof or any other
587 person is located.

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

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

596 (m) So long as any indebtedness on the systems of the
597 authority remains outstanding, to require by contract with a
598 public agency, or other person, that all water, sewerage and
599 wastewater within the metropolitan area be disposed of through the
600 appropriate treatment system which comprise a part of the
601 metropolitan area plan, to the extent that the same may be
602 available, but no public agency shall be precluded from
603 constructing, operating and maintaining its own such system after
604 the current indebtedness owing on the system as of the effective
605 date of this act is paid in full.

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

610 Section 8. (1) Any public agency, pursuant to a duly
611 adopted resolution of the governing authority of such public
612 agency, may enter into contracts with the authority under the
613 terms of which the authority, within its designated metropolitan
614 area, will manage, operate, and contract for usage of its
615 treatment systems and treatment facilities, or other services, for
616 such person or public agency. Any public agency may also enter
617 into contracts with the authority for the authority to purchase or
618 sell, by installments over such terms as may be deemed desirable,



619 or otherwise, to any person any treatment systems. Any public
620 agency is authorized to enter into operating agreements with the
621 authority, for such terms and upon such conditions as may be
622 deemed desirable, for the operation of any of its treatment
623 systems of any person by the authority or by any person
624 contracting with the authority to operate such treatment systems;
625 and any public agency may lease to or from the authority, for such
626 term and upon such conditions as may be deemed desirable, any of
627 its treatment systems. Any such contract may contain provisions
628 requiring any public agency or other person to regulate the
629 quality and strength of the material to be handled by the water,
630 wastewater, or sewage systems and may also provide that the
631 authority shall have the right to use any streets, alleys and
632 public ways and places within the jurisdiction of a public agency
633 or other person during the term of the contract. Such contracts
634 may obligate the public agency to make payments to the authority
635 or to a trustee in amounts which shall be sufficient to enable the
636 authority to defray the expenses of administering, operating and
637 maintaining its respective systems, to pay interest and principal
638 (whether at maturity upon redemption or otherwise) on bonds of the
639 authority, issued under this act and to fund reserves for debt
640 service, for operation and maintenance and for renewals and
641 replacements, and to fulfill the requirements of any rate covenant
642 with respect to debt service coverage contained in any resolution,
643 trust indenture or other security agreement relating to the bonds
644 of the authority issued under this act. Any public agency shall
645 have the power to enter into such contracts with the authority as
646 in the discretion of the governing authorities of the agency would
647 be in the best interest of the agency. Such contracts may include
648 a pledge of the full faith and credit of such public agency and/or
649 the avails of any special assessments made by such public agency
650 against property receiving benefits, as now or hereafter is
651 provided by law. Any such contract may provide for the sale, or



652 lease to, or use of by the authority, of the systems or any part
653 thereof, of the public agency; and may provide that the authority
654 shall operate its systems or any part thereof of the public
655 agency; and may provide that any public agency shall have the
656 right to continued use and/or priority use of the systems or any
657 part thereof during the useful life thereof upon payment of
658 reasonable charges therefor; and may contain provisions to assure
659 equitable treatment of persons or public agencies who contract
660 with the authority under this act; and may contain such other
661 provisions and requirements as the parties thereto may determine
662 to be appropriate or necessary. Such contracts may extend over
663 any period of time, notwithstanding any provisions of law to the
664 contrary, and may extend beyond the life of the respective systems
665 or any part thereof or the term of the bonds sold with respect to
666 such facilities or improvements thereto.

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

679 (3) Contracts referred to in this section may also provide
680 for payments in the form of contributions to defray the cost of
681 any purpose set forth in the contracts and as advances for the
682 respective systems or any part thereof subject to repayment by the
683 authority. A public agency may make such contributions or



684 advances from its general fund or surplus fund or from special
685 assessments or from any monies legally available therefor.

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

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

698 (6) No provision of this act shall be construed to prohibit
699 any public agency, otherwise permitted by law to issue bonds, from
700 issuing bonds in the manner provided by law for the construction,
701 renovation, repair or development of any of the authority's
702 treatment systems, or any part thereof, owned or operated by such
703 public agency.

704 Section 9. Whenever a public agency shall have executed a
705 contract under this act and the payments thereunder are to be made
706 either wholly or partly from the revenues of the public agency's
707 treatment systems, or any part thereof, or a combination of such
708 systems, the duty is hereby imposed on the public agency to
709 establish and maintain and from time to time to adjust the rates
710 charged by the public agency for the services of such treatment
711 systems, so that the revenues therefrom together with any taxes
712 and special assessments levied in support thereof will be
713 sufficient at all times to pay: (a) the expense of operating and
714 maintaining such treatment systems including all of the public
715 agency's obligations to the authority, its successors or assigns
716 under such contract; and (b) all of the public agency's



717 obligations under and in connection with revenue bonds theretofore
718 issued, or which may be issued thereafter and secured by the
719 revenues of such treatment systems. Any such contract may require
720 the use of consulting engineers and financial experts to advise
721 the public agency whether and when such rates are to be adjusted.

722 Section 10. (1) The DeSoto County Regional Utility
723 Authority shall have the power and is hereby authorized, from time
724 to time, to borrow money and to issue revenue bonds in such
725 principal amounts, up to a maximum amount of Forty Million Dollars
726 (\$40,000,000.00), as the DeSoto County Regional Utility Authority
727 may determine to be necessary to provide sufficient funds for
728 achieving the purposes of this act, including, (a) defraying the
729 cost of the acquisition of water and sewer trunk lines and the
730 acquisition, construction, improvement, repair or extension of its
731 treatment systems, or any part thereof, whether or not such
732 facilities are owned by the authority; (b) the payment of interest
733 on bonds of the authority issued under this act; (c) establishing
734 reserves to secure such bonds and payment of the interest thereon;
735 (d) paying expenses incident to the issuance of such bonds and to
736 the implementation of the authority's systems, and all other
737 expenditures of the authority incident to or necessary or
738 convenient to carry out the purposes of this act.

739 (2) Before issuing bonds (other than interim notes or
740 refunding bonds as provided in Section 11 of this act) hereunder,
741 the board of directors of the authority first shall hold a public
742 hearing before the governing authorities of each affected public
743 agency with due notice of the time, date and place of said hearing
744 published in a newspaper of general circulation in each said
745 public agency. Upon an affirmative vote of the board of directors
746 approving the resolution of intent, the board of directors shall
747 adopt a resolution declaring its intention to issue such bonds and
748 stating the maximum principal amount of bonds proposed to be
749 issued, a general generic description of the proposed improvements



750 and the proposed location thereof and the date, time and place at
751 which the board of directors proposes to take further action with
752 respect to the issuance of such bonds. The board of directors
753 then shall cause the resolution of intent to be published once a
754 week for at least three (3) consecutive weeks in at least one (1)
755 newspaper having a general circulation within the geographical
756 limits of all of the public agencies: (a) which have contracted
757 with the authority pursuant to this act; and (b) whose contracts
758 relate to the bonds proposed to be issued.

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

764 If no newspaper has a general circulation within the
765 geographical limits of all of the affected member agencies, then
766 such resolution shall be published in as many different newspapers
767 as may be required to provide general circulation of the
768 publication of such resolution within the geographical limits of
769 each affected member agency. If no newspaper has a general
770 circulation within the geographical limits of any particular
771 affected member agency, then notice in such affected member agency
772 shall be made by posting a copy of such resolution for at least
773 twenty-one (21) days next preceding the date therein at two (2)
774 public places within the geographical limits of such member
775 agency. The first publication of such resolution shall be made
776 not less than twenty-one (21) days before the date fixed in such
777 resolution to direct the issuance of the bonds and the last
778 publication shall be made not more than seven (7) days before such
779 date. If twenty percent (20%) of the qualified electors residing
780 in the authority or one thousand five hundred (1,500), whichever
781 is less, shall file a written protest against the issuance of such
782 bonds on or before the date specified in such resolution, then an



783 election on the question of the issuance of such bonds shall be
784 called and held as herein provided. If no such protest be filed,
785 then such bonds may be issued without an election on the question
786 of the issuance thereof at any time within a period of two (2)
787 years after the date specified in the above-mentioned resolution.
788 Where an election is to be called, notice of such election shall
789 be signed by the president of the board of directors, and shall be
790 published once a week for at least three (3) consecutive weeks in
791 the same manner as publication of the resolution. The first
792 publication of such notice shall be made not less than twenty-one
793 (21) days before the date fixed for such election and the last
794 publication shall be made not more than seven (7) days before such
795 date. The election shall be conducted by the election
796 commissioners of the county in which the authority is located.
797 The election shall be held, as far as is practicable, in the same
798 manner as other county special elections are held in the county
799 where the authority is located. At the election, all qualified
800 electors residing in the authority may vote, and the ballots used
801 at such election shall have printed thereon a brief statement of
802 the amount and purpose of the proposed bond issue and the words
803 "FOR THE BOND ISSUE" and "AGAINST THE BOND ISSUE," and the voter
804 shall vote by placing a cross (X) opposite his choice on the
805 proposition. When the results of the election on the question of
806 the issuance of such bonds shall have been canvassed by the
807 election commissioners of the county, in which the authority is
808 located, and certified by them to the board of directors of the
809 authority, it shall be the duty of the board of directors of the
810 authority to determine and adjudicate whether or not a majority of
811 the qualified electors who voted thereon in such election voted in
812 favor of the issuance of such bonds, and unless a majority of the
813 qualified electors who voted thereon in such election shall have
814 voted in favor of the issuance of such bonds, then such bonds
815 shall not be issued. Should a majority of the qualified electors



816 who vote thereon in such election vote in favor of the issuance of
817 such bonds, then the board of directors may issue such bonds,
818 either in whole or in part, within two (2) years after the date of
819 the election or the date of the final favorable termination of any
820 litigation affecting the issuance of such bonds.

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

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

845 (5) Bonds of the authority issued under this act may be sold
846 at such price or prices, at public or private sale, in such manner
847 and at such times as may be determined by the authority to be in
848 the public interest, and the authority may pay all expenses,



849 premiums, fees and commissions which it may deem necessary and
850 advantageous in connection with the issuance and sale thereof.

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

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

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

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



881 until the delivery of the same to the purchaser or had been in
882 office on the date such bonds may bear.

883 Section 11. The authority, by resolution adopted by its
884 board of directors, may issue refunding bonds for the purpose of
885 paying any of its bonds at or prior to maturity or upon
886 acceleration or redemption. Refunding bonds may be issued at such
887 time prior to the maturity or redemption of the refunded bonds as
888 the board of directors deems to be in the public interest, without
889 an election on the question of the issuance thereof. The
890 refunding bonds may be issued in sufficient amounts to pay or
891 provide the principal of the bonds being refunded, together with
892 any redemption premium thereon, any interest accrued or to accrue
893 to the date of payment of such bonds, the expenses of issue of the
894 refunding bonds, the expenses of redeeming the bonds being
895 refunded, and such reserves for debt service or other capital or
896 current expenses from the proceeds of such refunding bonds as may
897 be required by the resolution, trust indenture or other security
898 instruments. The issue of refunding bonds, the maturities and
899 other details thereof, the security therefor, the rights of the
900 holders and the rights, duties and obligations of the authority in
901 respect to the same shall be governed by the provisions of this
902 act relating to the issue of bonds other than refunding bonds
903 insofar as the same may be applicable. Any such refunding may be
904 effected, whether the obligations to be refunded shall have then
905 matured or shall thereafter mature, either by the exchange of the
906 refunding bonds for the obligations to be refunded thereby with
907 the consent of the holders of the obligations so to be refunded,
908 or by sale of the refunding bonds and the application of the
909 proceeds thereof to the payment of the obligations proposed to be
910 refunded thereby, and regardless of whether the obligations
911 proposed to be refunded shall be payable on the same date or
912 different dates or shall be due serially or otherwise.



913 Section 12. All bonds (other than refunding bonds, interim
914 notes and certificates of indebtedness, which may be validated)
915 issued pursuant to this act shall be validated as now provided by
916 law in Sections 31-13-1 through 31-13-11, which constitute the
917 Validation of Public Bonds Act, except that notice of such
918 validation proceedings shall be addressed to the taxpayers of the
919 respective member agencies (a) which have contracted with the
920 authority under this act, and (b) whose contracts, and the
921 payments to be made by the public agencies thereunder, constitute
922 security for the bonds of the authority proposed to be issued.
923 Such notice shall be published at least once in a newspaper or
924 newspapers having a general circulation within the geographical
925 boundaries of each of the member agencies to whose taxpayers the
926 notice is addressed. Such validation proceedings shall be
927 instituted in the Chancery Court of DeSoto County. The validity
928 of the bonds so validated, and of the contracts and payments to be
929 made by the public agencies, thereunder constituting security for
930 the bonds, shall be forever conclusive against the authority and
931 the public agencies which are parties to said contracts; and the
932 validity of said bonds and said contracts and the payments to be
933 made thereunder shall never be called in question in any court in
934 this state.

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

941 Section 14. The authority shall have power in connection
942 with the issuance of its bonds to:

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



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

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

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

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

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

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

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



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

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

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

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

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

995 (n) Make all other covenants and to do any and all such
996 acts and things as may be necessary or convenient or desirable in
997 order to secure its bonds, or in the absolute discretion of the
998 district tend to make the bonds more marketable, notwithstanding
999 that such covenants, acts or things may not be enumerated herein;
1000 it being the intention hereof to give the authority the power to
1001 do all things in the issuance of bonds and in the provisions for
1002 security thereof which are not inconsistent with the Constitution
1003 of this state.

1004 (o) Execute all instruments necessary or convenient in
1005 the exercise of the powers herein granted or in the performance of
1006 covenants or duties, which may contain such covenants and
1007 provisions, as any purchaser of the bonds of the authority may
1008 reasonably require.

1009 Section 15. For the purposes of satisfying any temporary
1010 cash flow demands and deficiencies, and to maintain a working



1011 balance for the authority, the DeSoto County Board of Supervisors,
1012 or other persons as defined in Section 2(k) of this act, subject
1013 to their lawful authority to do so, are authorized to advance, at
1014 any time, such funds which, in its discretion, are necessary, or
1015 borrow such funds by issuance of notes, for initial capital
1016 contribution and to cover start-up costs until such times as
1017 sufficient bonds, assets and revenues have been secured to satisfy
1018 the needs of the authority for its management, operation and
1019 formation. To this end, the DeSoto County Board of Supervisors,
1020 or other persons as defined in Section 2(k) of this act, subject
1021 to their lawful authority to do so, shall advance such funds, or
1022 borrow such funds by issuance of notes, under such terms and
1023 conditions as may be provided by resolution of the DeSoto County
1024 Board of Supervisors, or other persons as defined in Section 2(k)
1025 of this act, subject to their lawful authority to do so, except
1026 that each such resolution shall state:

1027 (a) The need for the proceeds advanced or borrowed;

1028 (b) The amount to be advanced or the amount to be
1029 borrowed;

1030 (c) The maximum principal amount of any note issued,
1031 the interest rate or maximum interest rate to be incurred, and the
1032 maturity date of said note.

1033 In addition, the DeSoto County Board of Supervisors, or other
1034 persons as defined in Section 2(k) of this act, subject to their
1035 lawful authority to do so, may arrange for lines of credit with
1036 any bank, firm or person for the purpose of providing an
1037 additional source of repayment for notes issued pursuant to this
1038 section. Amounts drawn on a line of credit may be evidenced by
1039 negotiable or nonnegotiable notes or other evidences of
1040 indebtedness and contain such terms and conditions as the DeSoto
1041 County Board of Supervisors, or other persons as defined in
1042 Section 2(k) of this act, subject to their lawful authority to do
1043 so, may authorize in the resolution approving the same.



1044 The DeSoto County Board of Supervisors, or other persons as
1045 defined in Section 2(k) of this act, subject to their lawful
1046 authority to do so, may authorize the repayment of such advances,
1047 notes, lines of credit and other debt incurred under this section,
1048 along with all costs associated with the same, including, but not
1049 limited to, rating agency fees, printing costs, legal fees, bank
1050 or trust company fees, line of credit fees and other charges to be
1051 reimbursed by the authority under such terms and conditions as are
1052 reasonable and are to be provided for by resolution of the DeSoto
1053 County Board of Supervisors, or terms agreed upon with other
1054 persons as defined in Section 2(k) of this act, subject to their
1055 lawful authority to do so.

1056 In addition, the DeSoto County Board of Supervisors may lease
1057 or donate office space and equipment to the authority under such
1058 terms and conditions as are reasonable and are to be provided for
1059 by resolution of the DeSoto County Board of Supervisors, or terms
1060 agreed upon by the authority.

1061 Section 16. The authority, in any authorizing resolution of
1062 the board of directors, trust indenture or other security
1063 instrument relating to its bonds, may provide for the appointment
1064 of a trustee who shall have such powers as are provided therein to
1065 represent the registered owners of any issue of bonds in the
1066 enforcement or protection of their rights under any such
1067 resolution, trust indenture or security instrument. The authority
1068 also may provide in such resolution, trust indenture or other
1069 security instrument that the trustee, or in the event that the
1070 trustee so appointed shall fail or decline to so protect and
1071 enforce such registered owners' rights then such percentage of
1072 registered owners as shall be set forth in, and subject to the
1073 provisions of, such resolution, trust indenture or other security
1074 interest, may petition the court of proper jurisdiction for the
1075 appointment of a receiver of the authority's treatment systems for
1076 the revenues of which are pledged to the payment of the principal



1077 of and interest on the bonds of such registered owners. Such
1078 receiver may exercise any power as may be granted in any such
1079 resolution, trust indenture or security instrument to enter upon
1080 and take possession of, acquire, construct or reconstruct or
1081 operate and maintain such sewage such as the authority treatment
1082 systems fix, charge, collect, enforce and receive all revenues
1083 derived from such of the systems or facilities and perform the
1084 public duties and carry out the contracts and obligations of the
1085 authority in the same manner as the authority itself might do, all
1086 under the direction of such court.

1087 Section 17. (1) The exercise of the powers granted by this
1088 act will be in all respects for the benefit of the people of the
1089 State of Mississippi, for their well-being and prosperity and for
1090 the improvement of their social and economic conditions, and the
1091 authority shall not be required to pay any tax or assessment on
1092 any property owned by the authority under the provisions of this
1093 act or upon the income therefrom; nor shall the authority be
1094 required to pay any recording fee or transfer tax of any kind on
1095 account of instruments recorded by it or on its behalf.

1096 (2) Any bonds issued by the authority under the provisions
1097 of this act, and their transfer and any income derived therefrom,
1098 shall at all times be free from taxation by the state or any local
1099 unit or political subdivision or other instrumentality of the
1100 state, excepting inheritance and gift taxes.

1101 Section 18. All bonds issued under the provisions of this
1102 act shall be legal investments for trustees, other fiduciaries,
1103 savings banks, trust companies and insurance companies organized
1104 under the laws of the State of Mississippi; and such bonds shall
1105 be legal securities which may be deposited with and shall be
1106 received by all public officers and bodies of the state and all
1107 municipalities and other political subdivisions thereof for the
1108 purpose of securing the deposit of public funds.



1109 Section 19. The State of Mississippi hereby covenants with
1110 the registered owners of any bonds of the authority that so long
1111 as the bonds are outstanding and unpaid the State of Mississippi
1112 will not limit or alter the rights and powers of the authority
1113 under this act to conduct the activities referred to herein in any
1114 way pertinent to the interests of the bondholders, including the
1115 authority's right to charge and collect rates, fees and charges
1116 and to fulfill the terms of any covenants made with the registered
1117 owners of the bonds, or in any other way impair the rights and
1118 remedies of the registered owners of the bonds, unless provision
1119 for full payment of such bonds, by escrow or otherwise, has been
1120 made under the terms of the bonds or the resolution, trust
1121 indenture or security interest securing the bonds.

1122 Section 20. The provisions of this act are cumulative to
1123 other statutes now or hereafter enacted relating to the issuance
1124 of bonds or the components which make up the authority's treatment
1125 systems and to the design, construction, acquisition or approval
1126 of facilities for such purposes, and any public agency may
1127 exercise all presently held powers in the furtherance of this act;
1128 provided that the authority may issue bonds only under the
1129 provisions of this act.

1130 Section 21. The Board of Supervisors of DeSoto County shall
1131 submit this act, immediately upon approval by the Governor, or
1132 upon approval by the Legislature subsequent to a veto, to the
1133 Attorney General of the United States or to the United States
1134 District Court for the District of Columbia in accordance with the
1135 provisions of the Voting Rights Act of 1965, as amended and
1136 extended.

1137 Section 22. This act shall take effect and be in force from
1138 and after the date that it is effectuated under Section 5 of the
1139 Voting Rights Act of 1965, as amended and extended.

1140 **SECTION 2.** This act shall take effect and be in force from
1141 and after its passage.

