

By: Representative Woods

To: Local and Private
Legislation

COMMITTEE SUBSTITUTE
FOR
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 AUTHORIZE THE BOARD
4 OF SUPERVISORS TO LEASE OR DONATE OFFICE SPACE AND EQUIPMENT TO
5 THE AUTHORITY; AND FOR RELATED PURPOSES.

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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

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

150 (iii) The proposed boundaries of the district;

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

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

158 and



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

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

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

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



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

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

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



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

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

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

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

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



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

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

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



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

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

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

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

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

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



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

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

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

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



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

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

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

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



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

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



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

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

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

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



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

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

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

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



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

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

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

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

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

514 (ii) No person or persons owning the drilling
515 rights or the right to share in production shall be prevented from
516 exploring, developing or producing oil or gas with necessary
517 rights-of-way for ingress and egress, pipelines and other means of
518 transporting such interests on any land or interest thereon of the



519 authority held or used for the purposes of this act, but any such
520 activities shall be subject to and secondary to such reasonable
521 regulations by the board of directors as will adequately protect
522 the systems of the authority contemplated by this act; and

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

528 (c) To acquire the necessary relocation or rerouting of
529 roads and highways, railroad, telephone and telegraph lines and
530 properties, electric power lines, gas pipelines and related
531 facilities, or to require the anchoring or other protection of any
532 of these, provided fair compensation is first paid to the owners
533 thereof or agreement is had with such owners regarding the payment
534 of the cost of such relocation, and to acquire easements or
535 rights-of-way for such relocation or rerouting and to convey the
536 same to the owners of the property being relocated or rerouted in
537 connection with the purpose of this act.

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



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

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

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

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

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

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



584 which such public agency or subdivision thereof or any other
585 person is located.

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

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

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

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

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



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



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

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

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



682 advances from its general fund or surplus fund or from special
683 assessments or from any monies legally available therefor.

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

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

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

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



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

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

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



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

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

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



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



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

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

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

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



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

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

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

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

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



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

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



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

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

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

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



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

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

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

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

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

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

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



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

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

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

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

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

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

1002 (o) Execute all instruments necessary or convenient in
1003 the exercise of the powers herein granted or in the performance of
1004 covenants or duties, which may contain such covenants and
1005 provisions, as any purchaser of the bonds of the authority may
1006 reasonably require.

1007 Section 15. For the purposes of satisfying any temporary
1008 cash flow demands and deficiencies, and to maintain a working



1009 balance for the authority, the DeSoto County Board of Supervisors,
1010 or other persons as defined in Section 2(k) of this act, subject
1011 to their lawful authority to do so, are authorized to advance, at
1012 any time, such funds which, in its discretion, are necessary, or
1013 borrow such funds by issuance of notes, for initial capital
1014 contribution and to cover start-up costs until such times as
1015 sufficient bonds, assets and revenues have been secured to satisfy
1016 the needs of the authority for its management, operation and
1017 formation. To this end, the DeSoto County Board of Supervisors,
1018 or other persons as defined in Section 2(k) of this act, subject
1019 to their lawful authority to do so, shall advance such funds, or
1020 borrow such funds by issuance of notes, under such terms and
1021 conditions as may be provided by resolution of the DeSoto County
1022 Board of Supervisors, or other persons as defined in Section 2(k)
1023 of this act, subject to their lawful authority to do so, except
1024 that each such resolution shall state:

1025 (a) The need for the proceeds advanced or borrowed;

1026 (b) The amount to be advanced or the amount to be
1027 borrowed;

1028 (c) The maximum principal amount of any note issued,
1029 the interest rate or maximum interest rate to be incurred, and the
1030 maturity date of said note.

1031 In addition, the DeSoto County Board of Supervisors, or other
1032 persons as defined in Section 2(k) of this act, subject to their
1033 lawful authority to do so, may arrange for lines of credit with
1034 any bank, firm or person for the purpose of providing an
1035 additional source of repayment for notes issued pursuant to this
1036 section. Amounts drawn on a line of credit may be evidenced by
1037 negotiable or nonnegotiable notes or other evidences of
1038 indebtedness and contain such terms and conditions as the DeSoto
1039 County Board of Supervisors, or other persons as defined in
1040 Section 2(k) of this act, subject to their lawful authority to do
1041 so, may authorize in the resolution approving the same.



1042 The DeSoto County Board of Supervisors, or other persons as
1043 defined in Section 2(k) of this act, subject to their lawful
1044 authority to do so, may authorize the repayment of such advances,
1045 notes, lines of credit and other debt incurred under this section,
1046 along with all costs associated with the same, including, but not
1047 limited to, rating agency fees, printing costs, legal fees, bank
1048 or trust company fees, line of credit fees and other charges to be
1049 reimbursed by the authority under such terms and conditions as are
1050 reasonable and are to be provided for by resolution of the DeSoto
1051 County Board of Supervisors, or terms agreed upon with other
1052 persons as defined in Section 2(k) of this act, subject to their
1053 lawful authority to do so.

1054 In addition, the DeSoto County Board of Supervisors may lease
1055 or donate office space and equipment to the authority under such
1056 terms and conditions as are reasonable and are to be provided for
1057 by resolution of the DeSoto County Board of Supervisors, or terms
1058 agreed upon by the authority.

1059 Section 16. The authority, in any authorizing resolution of
1060 the board of directors, trust indenture or other security
1061 instrument relating to its bonds, may provide for the appointment
1062 of a trustee who shall have such powers as are provided therein to
1063 represent the registered owners of any issue of bonds in the
1064 enforcement or protection of their rights under any such
1065 resolution, trust indenture or security instrument. The authority
1066 also may provide in such resolution, trust indenture or other
1067 security instrument that the trustee, or in the event that the
1068 trustee so appointed shall fail or decline to so protect and
1069 enforce such registered owners' rights then such percentage of
1070 registered owners as shall be set forth in, and subject to the
1071 provisions of, such resolution, trust indenture or other security
1072 interest, may petition the court of proper jurisdiction for the
1073 appointment of a receiver of the authority's treatment systems for
1074 the revenues of which are pledged to the payment of the principal



1075 of and interest on the bonds of such registered owners. Such
1076 receiver may exercise any power as may be granted in any such
1077 resolution, trust indenture or security instrument to enter upon
1078 and take possession of, acquire, construct or reconstruct or
1079 operate and maintain such sewage such as the authority treatment
1080 systems fix, charge, collect, enforce and receive all revenues
1081 derived from such of the systems or facilities and perform the
1082 public duties and carry out the contracts and obligations of the
1083 authority in the same manner as the authority itself might do, all
1084 under the direction of such court.

1085 Section 17. (1) The exercise of the powers granted by this
1086 act will be in all respects for the benefit of the people of the
1087 State of Mississippi, for their well-being and prosperity and for
1088 the improvement of their social and economic conditions, and the
1089 authority shall not be required to pay any tax or assessment on
1090 any property owned by the authority under the provisions of this
1091 act or upon the income therefrom; nor shall the authority be
1092 required to pay any recording fee or transfer tax of any kind on
1093 account of instruments recorded by it or on its behalf.

1094 (2) Any bonds issued by the authority under the provisions
1095 of this act, and their transfer and any income derived therefrom,
1096 shall at all times be free from taxation by the state or any local
1097 unit or political subdivision or other instrumentality of the
1098 state, excepting inheritance and gift taxes.

1099 Section 18. All bonds issued under the provisions of this
1100 act shall be legal investments for trustees, other fiduciaries,
1101 savings banks, trust companies and insurance companies organized
1102 under the laws of the State of Mississippi; and such bonds shall
1103 be legal securities which may be deposited with and shall be
1104 received by all public officers and bodies of the state and all
1105 municipalities and other political subdivisions thereof for the
1106 purpose of securing the deposit of public funds.



1107 Section 19. The State of Mississippi hereby covenants with
1108 the registered owners of any bonds of the authority that so long
1109 as the bonds are outstanding and unpaid the State of Mississippi
1110 will not limit or alter the rights and powers of the authority
1111 under this act to conduct the activities referred to herein in any
1112 way pertinent to the interests of the bondholders, including the
1113 authority's right to charge and collect rates, fees and charges
1114 and to fulfill the terms of any covenants made with the registered
1115 owners of the bonds, or in any other way impair the rights and
1116 remedies of the registered owners of the bonds, unless provision
1117 for full payment of such bonds, by escrow or otherwise, has been
1118 made under the terms of the bonds or the resolution, trust
1119 indenture or security interest securing the bonds.

1120 Section 20. The provisions of this act are cumulative to
1121 other statutes now or hereafter enacted relating to the issuance
1122 of bonds or the components which make up the authority's treatment
1123 systems and to the design, construction, acquisition or approval
1124 of facilities for such purposes, and any public agency may
1125 exercise all presently held powers in the furtherance of this act;
1126 provided that the authority may issue bonds only under the
1127 provisions of this act.

1128 Section 21. The Board of Supervisors of DeSoto County shall
1129 submit this act, immediately upon approval by the Governor, or
1130 upon approval by the Legislature subsequent to a veto, to the
1131 Attorney General of the United States or to the United States
1132 District Court for the District of Columbia in accordance with the
1133 provisions of the Voting Rights Act of 1965, as amended and
1134 extended.

1135 Section 22. This act shall take effect and be in force from
1136 and after the date that it is effectuated under Section 5 of the
1137 Voting Rights Act of 1965, as amended and extended.

1138 **SECTION 2.** This act shall take effect and be in force from
1139 and after its passage.

