

By: Representatives Johnson, Middleton,  
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To: Local and Private  
Legislation; Ways and Means

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 1772

1 AN ACT TO CREATE THE ST. CATHERINE CREEK UTILITY AUTHORITY  
2 WITHIN ADAMS COUNTY, MISSISSIPPI; TO PROVIDE THAT THE AUTHORITY  
3 SHALL BE GOVERNED BY A BOARD OF DIRECTORS APPOINTED BY THE BOARD  
4 OF SUPERVISORS OF ADAMS COUNTY; TO PROVIDE FOR THE MEMBERSHIP OF  
5 THE BOARD OF DIRECTORS; TO AUTHORIZE THE AUTHORITY TO PLAN,  
6 ACQUIRE, CONSTRUCT, MAINTAIN, OPERATE AND COORDINATE SOLID WASTE,  
7 STORM WATER, WATER AND WASTEWATER SYSTEMS IN ORDER TO ENSURE THE  
8 DELIVERY OF SOLID WASTE, STORM WATER, WATER AND WASTEWATER  
9 SERVICES TO CITIZENS RESIDING WITHIN THE BOUNDARIES OF ADAMS  
10 COUNTY; TO AUTHORIZE THE AUTHORITY TO ISSUE REVENUE BONDS TO  
11 PROVIDE FUNDS NECESSARY TO ACHIEVE THE PURPOSES OF THIS ACT; AND  
12 FOR RELATED PURPOSES.

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

14 **SECTION 1.** The purpose of this act is to create the St.  
15 Catherine Creek Utility Authority for the purpose of providing  
16 solid waste, storm water, water and wastewater systems for  
17 economic development activities within Adams County. The act  
18 provides for a cooperative effort by an area situated within Adams  
19 County, Mississippi, including the areas situated within the  
20 corporate boundaries of any existing municipality and other  
21 eligible municipalities, public agencies and political  
22 subdivisions, for the acquisition, construction, operation of a  
23 user funded solid waste, storm water, water or wastewater systems,  
24 in order to prevent and control the pollution of the waters in  
25 this state by the creation of the St. Catherine Creek Utility  
26 Authority. This act may be cited as the "St. Catherine Creek  
27 Utility Authority Act."

28 **SECTION 2.** As used in this act:

29 (a) "Authority" means the St. Catherine Creek Utility  
30 Authority created under this act.

31 (b) "Board of directors" means the Board of Directors  
32 of the St. Catherine Creek Utility Authority.

33           (c) "Facilities" mean any structure, building, ditch,  
34 pipe, channel, improvement, land, or other real or personal  
35 property used or useful in water system, wastewater system or  
36 combination of systems under this act.

37           (d) "Fiscal year" means the period of time beginning on  
38 October 1 of each year and ending on September 30 of each year.

39           (e) "Governing body" means the elected or duly  
40 appointed officials constituting the governing body of a  
41 municipality or county.

42           (f) "Municipality" means any incorporated city, town or  
43 village in this state.

44           (g) "Person" means the State of Mississippi, a  
45 municipality, any public agency or any other city, town, village,  
46 or political subdivision or governmental agency of the State of  
47 Mississippi or of the United States of America, or any private  
48 utility, individual, copartnership, association, firm, trust,  
49 estate or any other entity whatsoever.

50           (h) "Project" means the construction, development or  
51 acquisition by the authority of Adams County of any infrastructure  
52 for economic development, including industrial, commercial and  
53 residential development; the construction and operation of water  
54 or wastewater systems or services and includes upgrading or repair  
55 of existing systems.

56           (i) "Public agency" means any municipality, county,  
57 political subdivision, governmental authority or unit, public  
58 institution of higher learning, community college authority,  
59 planning and development authority, drainage authority or any body  
60 politic and corporate or governmental agency created under the  
61 laws of this state.

62           (j) "Solid waste" means any garbage, refuse, sludge  
63 from a waste treatment plant, water supply treatment plant or air  
64 pollution control facility and other discarded material, including  
65 solid, liquid, semisolid or contained gaseous material resulting

66 from industrial, commercial, mining and agricultural operations,  
67 and from community activities, but does not include solid or  
68 dissolved material in domestic sewage, or solid or dissolved  
69 materials in irrigation return flows or industrial discharges  
70 which are point sources subject to permits under Section 402 of  
71 the Federal Water Pollution Control Act, as amended (86 Stat.  
72 880), or source, special nuclear or by-product material as defined  
73 by the Atomic Energy Act of 1954.

74 (k) "State" means the State of Mississippi.

75 (l) "System" or "systems" means any plants, structures,  
76 facilities and other real and personal property, used or useful in  
77 the generation, storage, transportation or supply of solid waste,  
78 water, and the collection, transportation, treatment or disposal  
79 of wastewater and storm water, including, but not limited to,  
80 tanks, reservoirs, lakes, streams, ponds, pipes, trunk lines,  
81 mains, sewers, conduits, pipelines, pumping and ventilating  
82 stations, plants and works, connections and any other real and  
83 personal property and rights therein necessary, useful or  
84 convenient for the purposes of the authority in connection  
85 therewith.

86 (m) "Wastewater" means water being disposed of by any  
87 person and which is contaminated with waste or sewage, including  
88 industrial, municipal and any other wastewater that may cause  
89 impairment of the quality of the waters in the state.

90 (n) "Water" means potable water, surface water and  
91 groundwater.

92 (o) "Water supply system" means pipelines, conduits,  
93 pumping stations and all other structures, devices and appliances  
94 appurtenant thereto, including land and right-of-way thereto, for  
95 use for transporting water to a point of ultimate use.

96 (p) "Waterworks" means all works, plants or other  
97 facilities necessary for the purpose of collecting, storing,  
98 treating and transporting water for domestic, municipal,

99 commercial, industrial, agricultural and manufacturing purposes,  
100 including open channels.

101 (q) "Unit of local government" means any county or  
102 municipality of the state.

103 **SECTION 3.** There is hereby created and established a public  
104 body corporate and politic constituting a political subdivision of  
105 the State of Mississippi to be known as the St. Catherine Creek  
106 Utility Authority. The authority is composed of the geographic  
107 area of Adams County for the purpose of acquiring property for  
108 economic development and for the planning, acquisition,  
109 construction, maintenance, operation and coordination of solid  
110 waste, storm water, water and wastewater systems in order to  
111 ensure the delivery of solid waste, storm water, water and  
112 wastewater services to citizens residing within the boundaries of  
113 Adams County. The St. Catherine Creek Utility Authority shall be  
114 deemed to be acting in all respects for the benefit of the people  
115 of the state in the performance of essential public functions, and  
116 the St. Catherine Creek Utility Authority shall be empowered in  
117 accordance with the provisions of this act to promote the health,  
118 welfare and prosperity of the general public.

119 **SECTION 4.** (1) All powers of the St. Catherine Creek  
120 Utility Authority shall be exercised by a board of directors  
121 comprised of five (5) directors who shall be appointed by the  
122 Board of Supervisors of Adams County. The directors shall serve  
123 at the will and pleasure of the board of supervisors.

124 (2) The board of directors shall elect annually from its  
125 number a president and a vice president of the authority and such  
126 other officers as in the judgment of the board are necessary. The  
127 president shall be the chief executive officer of the authority  
128 and the presiding officer of the board, and shall have the same  
129 right to vote as any other director. The vice president shall  
130 perform all duties and exercise all powers conferred by this act  
131 upon the president when the president is absent, fails or declines

132 to act, except the president's right to vote. The board shall  
133 appoint a secretary and a treasurer who may or may not be members  
134 of the board, and it may combine these offices. The treasurer  
135 shall give bond in the sum of not less than One Hundred Thousand  
136 Dollars (\$100,000.00) as set by the board of directors, and each  
137 director may be required to give bond in the sum of not less than  
138 Twenty-five Thousand Dollars (\$25,000.00), with sureties qualified  
139 to do business in this state, and the premiums on said bond shall  
140 be an expense of such authority. Each such bond shall be payable  
141 to the State of Mississippi and the condition of each such bond  
142 shall be that the treasurer and director will faithfully perform  
143 all duties of his office and account for all money and other  
144 assets which shall come into his or her custody as treasurer or  
145 member of the board of directors.

146 (3) The members of the board of directors shall serve  
147 without salary, but shall be entitled to receive per diem as  
148 provided for in Section 25-3-69, Mississippi Code of 1972.  
149 Members of the board of directors shall be reimbursed their actual  
150 travel and hotel expenses as provided in Section 25-3-41,  
151 Mississippi Code of 1972, incurred while in the performance of  
152 their duties as members of the board of directors, to be paid on  
153 an itemized statement. Expenses shall be paid from available  
154 funds of the authority.

155 (4) All business of the authority shall be transacted by a  
156 majority affirmative vote of the total membership of the board of  
157 directors. The quorum for any meeting of the board of directors  
158 shall be a majority of the total membership of the board of  
159 directors.

160 (5) Regular meetings of the board shall be held as set forth  
161 in its bylaws for management of the authority's business and  
162 affairs. Additional meetings of the board shall be held at the  
163 call of the chairman or whenever a majority of commissioners so  
164 request.

165           **SECTION 5.** The authority shall have the following powers, in  
166 addition to any other powers granted under any other provision of  
167 law:

168           (a) To acquire, construct, improve, enlarge, extend,  
169 repair, operate and maintain one or more of its systems used for  
170 the collection, transportation, treatment and disposal of solid  
171 waste, storm water, water, and wastewater.

172           (b) To make contracts with any person in furtherance of  
173 its purposes and make contracts with any person, under the terms  
174 of which the authority will collect, transport, treat or dispose  
175 of solid waste, storm water, water and wastewater for such person.

176           (c) To make contracts with any person to design and  
177 construct any solid waste, storm water, water and wastewater  
178 systems or facilities, and thereafter to purchase, lease or sell,  
179 by installments over such terms as may be deemed desirable,  
180 reasonable and necessary, or otherwise, any such system or  
181 systems.

182           (d) To enter into operating agreements with any person,  
183 for such terms and upon such conditions as may be deemed  
184 desirable, for the operation of any solid waste, storm water,  
185 water and wastewater systems and to lease to or from any person,  
186 for such term and upon such conditions as may be deemed desirable,  
187 any solid waste, storm water, water and wastewater collection,  
188 transportation, treatment or other facilities or systems. Any  
189 such contract may contain provisions requiring any public agency  
190 or other person to regulate the quality and strength of materials  
191 to be handled by the respective system or systems and also may  
192 provide that the authority shall have the right to use any  
193 streets, alleys and public ways and places within the jurisdiction  
194 of a public agency or other person during the term of the  
195 contract.

196           (e) To enter into contracts with any person or any  
197 public agency, including, but not limited to, contracts authorized

198 by this act, in furtherance of any of the purposes authorized  
199 under this act upon such consideration as the board of directors  
200 and such person may agree. Any such contract may extend over any  
201 period of time, notwithstanding any provision or rule of law to  
202 the contrary, may be upon such terms and for such consideration,  
203 nominal or otherwise, as the parties thereto shall agree and may  
204 provide that it shall continue in effect until bonds specified  
205 therein, refunding bonds issued in lieu of such bonds and all  
206 other obligations specified therein are paid or terminated. Any  
207 such contract shall be binding upon the parties thereto according  
208 to its terms.

209 (f) To adopt an official seal and alter the same at its  
210 pleasure.

211 (g) To sue and be sued, in its own name, and to enjoy  
212 all of the protections, immunities and benefits provided by the  
213 Mississippi Tort Claims Act as it may be amended or supplemented  
214 from time to time.

215 (h) To maintain office space at such place or places  
216 within the authority boundaries as it may determine.

217 (i) To invest money of the authority, including  
218 proceeds from the sale of any bonds subject to any agreements with  
219 bondholders, on such terms and in such manner as the authority  
220 deems proper.

221 (j) To require the necessary relocation or rerouting of  
222 roads and highways, railroads, telephone and telegraph lines, and  
223 properties, electric power lines, gas pipelines and related  
224 facilities, or to require the anchoring or other protection of any  
225 of these, provided fair compensation is first paid to the owners  
226 or an agreement with such owners regarding the payment of the cost  
227 of such relocation, and to acquire easements or rights-of-way for  
228 such relocation or rerouting and to convey the same to the owners  
229 of the property being relocated or rerouted in connection with the  
230 purposes of this act.

231           (k) To acquire, construct, improve or modify, to  
232 operate or cause to be operated and maintained, either as owner of  
233 all or of any part in common with others, any solid waste, storm  
234 water, water or wastewater system within the authority's service  
235 area. The authority may pay all or part of the cost of any system  
236 from any contribution by persons, firms, public agencies or  
237 corporations. The authority may receive, accept and use all  
238 funds, public or private, and pay all costs of the development,  
239 implementation and maintenance as may be determined as necessary  
240 for any project.

241           (l) To acquire, in its own name, by purchase on any  
242 terms and conditions and in any manner as it may deem proper,  
243 except by eminent domain, property for public use, or by gift,  
244 grant, lease, or otherwise, real property or easements therein,  
245 franchises and personal property necessary or convenient for its  
246 corporate purposes.

247           (m) To acquire, in its own name, by purchase on any  
248 terms and conditions and in any manner as it may deem proper,  
249 except eminent domain, property for the economic development of  
250 the county, or by gift, grant, lease, or otherwise, real property  
251 or easements therein and may lease or manage such property for the  
252 economic development of the county and personal property necessary  
253 or convenient for the economical development of the county.

254           (n) To acquire insurance for the authority's systems,  
255 facilities, buildings, treatment plants and all property, real or  
256 personal, to insure against all risks as any insurance may, from  
257 time to time, be available.

258           (o) To use any property and rent or lease any property  
259 to or from others, including public agencies, or make contracts  
260 for the use of the property. The authority may sell, lease,  
261 exchange, transfer, assign, pledge, mortgage or grant a security  
262 interest for any property. The powers to acquire, use and dispose  
263 of property as set forth in this paragraph shall include the power



264 to acquire, use and dispose of any interest in that property,  
265 whether divided or undivided. Title to any property of the  
266 authority shall be held by the authority exclusively for the  
267 benefit of the public.

268 (p) To apply, contract for, accept, receive and  
269 administer gifts, grants, appropriations and donations of money,  
270 materials, and property of any kind, including loans and grants  
271 from the United States, the state, a unit of local government, or  
272 any agency, department, district or instrumentality of any of the  
273 foregoing, upon any terms and conditions as the United States, the  
274 state, a unit of local government, or any agency, department,  
275 district or instrumentality shall impose. The authority may  
276 administer trusts. The authority may sell, lease, transfer,  
277 convey, appropriate and pledge any and all of its property and  
278 assets.

279 (q) To make and enforce, and from time to time, amend  
280 and repeal bylaws, rules, ordinances and regulations for the  
281 management of its business and affairs and for the construction,  
282 use, maintenance and operation of any of the systems under its  
283 management and control.

284 (r) To employ and terminate staff and other personnel,  
285 including attorneys, engineers and consultants as may be necessary  
286 to the functioning of the authority. The board of directors, in  
287 its discretion, may employ an executive director having the  
288 authority to employ and fire employees and other duties as  
289 determined by the board of directors.

290 (s) To establish and maintain rates, fees, assessments  
291 and any other charges for services and the use of systems and  
292 facilities within the control of the authority, and from time to  
293 time, to adjust such rates, fees, assessments and any other  
294 charges to the end that the revenues therefrom will be sufficient  
295 at all times to pay the expenses of operating and maintaining of  
296 the facilities and treatment systems and all of the obligations

297 under any contract or bond resolutions with respect thereto or any  
298 obligation of any person under any agreement, contract, indenture  
299 or bond resolutions with respect thereto; however, nothing in this  
300 act shall authorize the levy of any type of impact fee. Such  
301 rates, fees, assessments and any other charges shall not be  
302 subject to the jurisdiction of the Mississippi Public Service  
303 Commission.

304 (t) To adopt rules and regulations necessary to  
305 accomplish the purposes of the authority and to assure the payment  
306 of each participating person or public agency of its proportionate  
307 share of the costs for use of any of the systems.

308 (u) To enter on public or private lands, waters or  
309 premises for the purpose of making surveys, borings or soundings,  
310 or conducting tests, examinations or inspections for the purposes  
311 of the district, subject to responsibility for any damage done to  
312 property entered.

313 (v) To accept industrial wastewater from within the  
314 boundaries of the authority for treatment and to require the  
315 pretreatment of same when, in the opinion of the authority, such  
316 pretreatment is necessary.

317 (w) To control and operate local retail solid waste,  
318 storm water, water and wastewater services and may provide or be  
319 responsible for direct servicing of those services to residences,  
320 businesses and individuals; however, the authority shall not  
321 provide the same services in an area provided by a public utility  
322 or person holding a certificate of public convenience and  
323 necessity issued by the Mississippi Public Service Commission for  
324 the provision of such services in the certificated area, except in  
325 industrial areas. Any rates, fees, assessments or other charges  
326 shall not be under the control or regulation of the Mississippi  
327 Public Service Commission.

328 (x) To assume control and administer, within the  
329 authority's jurisdiction, any solid waste, storm water, water or

330 wastewater system or systems by agreement and/or contract with any  
331 person providing that such services are requested by such person  
332 to be relieved of that responsibility. However, the person may  
333 maintain control over connections in their service areas and may  
334 charge rates, fees and any other charges in addition to the rates,  
335 fees and any charges of the authority.

336 (y) To use any legally available funds to acquire,  
337 rebuild, operate and maintain any existing water or wastewater  
338 systems owned or operated by any person.

339 (z) To refuse to receive wastewater from any public  
340 agency or person.

341 (aa) So long as any indebtedness on the property or  
342 systems of the authority remains outstanding, to require by  
343 contract with a public agency, or other person, that all solid  
344 waste, storm water, water and wastewater within the boundaries of  
345 the respective authority be disposed of through the appropriate  
346 treatment system to the extent that the same may be available.

347 **SECTION 6.** (1) The authority shall have the power, duty and  
348 responsibility to exercise general supervision over the design,  
349 construction, operation and maintenance of solid waste, storm  
350 water, water and wastewater systems.

351 (2) The authority may adopt rules and regulations regarding  
352 the design, construction or installation, operation and  
353 maintenance of solid waste, storm water, water and wastewater  
354 systems.

355 (3) The authority may adopt rules establishing a standard  
356 application form for the installation, operation and maintenance  
357 of water and wastewater systems, application review, approval or  
358 denial procedures for any proposed system, inspection, monitoring  
359 and reporting guidelines and enforcement procedures.

360 (4) Any system of any municipality, public agency or other  
361 persons which becomes connected with, or tied into, the systems of

362 the authority, shall be subject to the authority's jurisdiction  
363 and the terms of this act.

364 (5) The authority shall approve all solid waste, storm  
365 water, water and wastewater systems prior to approval or renewal  
366 of any permit issued by the appropriate state agency or staff.

367 (6) Notwithstanding the provisions of Section 51-39-1 et  
368 seq., Mississippi Code of 1972, the authority shall have the full  
369 power to adopt rules and regulations and to construct, maintain  
370 and operate facilities for the control of storm water quality and  
371 quantity. In addition, the provisions of Section 51-33-1 et seq.,  
372 Mississippi Code of 1972, relating to drainage districts and flood  
373 control districts do not apply to the authority.

374 **SECTION 7.** (1) Any public agency or person, pursuant to a  
375 duly adopted resolution of the governing body of such public  
376 agency or person, may enter into contracts with the authority  
377 under the terms of which the authority will manage, operate and  
378 contract for usage of its systems and facilities, or other  
379 services, for such person or public agency.

380 (2) Any public agency or person may enter into contracts  
381 with the authority for the authority to purchase or sell, by  
382 installments over such terms as may be deemed desirable, or  
383 otherwise, to any person or any systems. Any public agency may  
384 sell, donate, convey, or otherwise dispose of solid waste, storm  
385 water, water and wastewater facilities or systems, or any  
386 equipment, personal property or any other things, deemed necessary  
387 for the construction, operation, and maintenance to the authority  
388 without the necessity of appraisal, advertising or bidding. This  
389 section creates an alternative method of disposal of public  
390 property.

391 (3) Any public agency is authorized to enter into operating  
392 agreements with the authority, for such terms and upon such  
393 conditions as may be deemed desirable, for the operation of any of

394 its property or systems of any person by the authority or by any  
395 person contracting with the authority to operate such systems.

396 (4) Any public agency may lease property or systems to or  
397 from the authority for such term and upon such conditions as may  
398 be deemed desirable.

399 (5) Any municipality or county may donate office space,  
400 equipment, supplies and materials to the authority.

401 (6) Any such contract may contain provisions requiring any  
402 public agency or other person to regulate the quality and strength  
403 of the material to be handled by the wastewater systems and may  
404 also provide that the authority shall have the right to use any  
405 streets, alleys and public ways and places within the jurisdiction  
406 of a public agency or other person during the term of the  
407 contract. Such contracts may obligate the public agency to make  
408 payments to the authority or to a trustee in amounts which shall  
409 be sufficient to enable the authority to defray the expenses of  
410 administering, operating and maintaining its respective systems,  
411 to pay interest and principal (whether at maturity upon redemption  
412 or otherwise) on bonds of the authority issued under this act and  
413 to fund reserves for debt service, for operation and maintenance  
414 and for renewals and replacements, to fulfill the requirements of  
415 any rate covenant with respect to debt service coverage contained  
416 in any resolution, trust indenture or other security agreement  
417 relating to the bonds of the authority issued under this act or to  
418 fulfill any other requirement relating to bonds issued pursuant to  
419 this act.

420 (7) Any public agency shall have the power to enter into  
421 such contracts with the authority as in the discretion of the  
422 governing body of the public agency would be in the best interest  
423 of the public agency. Such contracts may include a pledge of the  
424 full faith and credit of such public agency and/or the avails of  
425 any special assessments made by such public agency against  
426 property receiving benefits, as now or hereafter are provided by

427 law. Any such contract may provide for the sale, or lease to, or  
428 use of by the authority of the systems, or any part thereof, of  
429 the public agency; and may provide that the authority shall  
430 operate its systems or any part thereof of the public agency; and  
431 may provide that any public agency shall have the right to  
432 continued use and/or priority use of the systems or any part  
433 thereof during the useful life thereof upon payment of reasonable  
434 charges therefor; and may contain provisions to assure equitable  
435 treatment of persons or public agencies who contract with the  
436 authority under this act; and may contain such other provisions  
437 and requirements as the parties thereto may determine to be  
438 appropriate or necessary. Such contracts may extend over any  
439 period of time, notwithstanding any provisions of law to the  
440 contrary, and may extend beyond the life of the respective  
441 systems, or any part thereof, or the term of the bonds sold with  
442 respect to such facilities or improvements thereto.

443 (8) The obligations of a public agency arising under the  
444 terms of any contract referred to in this act, whether or not  
445 payable solely from a pledge of revenues, shall not be included  
446 within the indebtedness limitations of the public agency for  
447 purposes of any constitutional or statutory limitation or  
448 provision. To the extent provided in such contract and to the  
449 extent such obligations of the public agency are payable wholly or  
450 in part from the revenues and other monies derived by the public  
451 agency from the operation of its systems or of its combined  
452 systems, or any part thereof, such obligations shall be treated as  
453 expenses of operating such systems.

454 (9) Contracts referred to in this section may also provide  
455 for payments in the form of contributions to defray the cost of  
456 any purpose set forth in the contracts and as advances for the  
457 respective systems or any part thereof subject to repayment by the  
458 authority. A public agency may make such contributions or

459 advances from its general fund or surplus fund or from special  
460 assessments or from any monies legally available therefor.

461 (10) Payments made, or to be made, to the authority by a  
462 public agency or other person under a contract for any of its  
463 treatment systems, or any property thereof, shall not be subject  
464 to approval or review by the Mississippi Public Service  
465 Commission.

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

475 (12) Any public agency in the county having the right of  
476 eminent domain may agree to use its respective eminent domain  
477 powers for the benefit of the authority and at the cost of the  
478 authority as set forth hereinafter in this subsection (12) to  
479 acquire such property, easements, rights-of-way and other property  
480 interests as may be required and requested by the board of  
481 directors.

482 The authority may reimburse or pay all costs, including  
483 professional fees, along with damages awarded in connection with  
484 the exercise of such eminent domain power to the entity which has  
485 agreed to exercise its eminent domain powers under the terms of  
486 this act.

487 The amount and character of interest in land, other property,  
488 and easements thus to be acquired shall be determined by the board  
489 of directors, and their determination shall be conclusive and  
490 shall not be subject to attack in the absence of manifold abuse of

491 discretion or fraud on the part of such board in making such  
492 determination, however:

493           (a) In acquiring lands, either by negotiation or  
494 eminent domain through action of the public agency, the authority  
495 shall not acquire mineral rights or royalties, provided that sand  
496 and gravel shall not be considered as minerals within the meaning  
497 of this section;

498           (b) No person or persons owning the drilling rights or  
499 the right to share in production shall be prevented from  
500 exploring, developing or producing oil or gas with necessary  
501 rights-of-way for ingress and egress, pipelines and other means of  
502 transporting such interests on any land or interest thereon of the  
503 authority held or used for the purposes of this act, but any such  
504 activities shall be subject to and secondary to such reasonable  
505 regulations by the board of directors as will adequately protect  
506 the systems of the authority contemplated by this act; and

507           (c) In acquiring lands, either by negotiation or  
508 eminent domain through action of the public agency, the authority  
509 shall acquire only any interest or rights in such facilities,  
510 components and systems which are part of the authority's plan  
511 implemented by the authority.

512           (13) No provision of this act shall be construed to prohibit  
513 any public agency, otherwise permitted by law to issue bonds, from  
514 issuing bonds in the manner provided by law for the construction,  
515 renovation, repair or development of any of the authority's  
516 systems, or any part thereof, owned or operated by such public  
517 agency.

518           **SECTION 8.** Whenever a public agency shall have executed a  
519 contract under this act and the payments thereunder are to be made  
520 either wholly or partly from the revenues of the public agency's  
521 systems, or any part thereof, or a combination of such systems,  
522 the duty is hereby imposed on the public agency to establish and  
523 maintain and from time to time to adjust the rate or fees charged



524 by the public agency for the services of such systems, so that the  
525 revenues therefrom, together with any taxes and special  
526 assessments levied in support thereof, will be sufficient at all  
527 times to pay: (a) the expense of operating and maintaining such  
528 properties or systems, including all of the public agency's  
529 obligations to the authority, its successors or assigns under such  
530 contract; and (b) all of the public agency's obligations under and  
531 in connection with bonds theretofore issued, or which may be  
532 issued thereafter and secured by the revenues of such systems.  
533 Any such contract may require the use of consulting engineers and  
534 financial experts to advise the public agency whether and when  
535 such rates and fees are to be adjusted.

536       **SECTION 9.** (1) Notwithstanding the provisions of Sections  
537 77-3-21 and 77-3-23, Mississippi Code of 1972, the certificate of  
538 public convenience and necessity held by any municipality, public  
539 agency, district, public utility or other person authorized by law  
540 to provide water, sewer and wastewater services may be canceled  
541 and its powers, duties and responsibilities transferred to the  
542 authority in the manner provided by this section.

543       (2) Any entity described in subsection (1) of this section  
544 desiring to have its certificate of public convenience and  
545 necessity canceled and its powers, duties and responsibilities  
546 transferred to the authority shall make a determination to that  
547 effect on its official minutes if a public entity, or by affidavit  
548 if not a public entity, and transmit such determination to the  
549 authority.

550       (3) Upon receipt of the document evidencing such  
551 determination from an entity to transfer its powers, duties and  
552 responsibilities to the authority, the authority shall by  
553 resolution declare whether it is willing and able to accept such  
554 transfer from the entity.

555       (4) Upon completion of the requirements of subsections (2)  
556 and (3) herein and agreement by both parties to the transfer, the

557 holder of the certificate of public convenience and necessity and  
558 the authority shall jointly petition the Public Service Commission  
559 to cancel the certificate of public convenience and necessity.  
560 The petition must be accompanied by copies of the official  
561 minutes, affidavit or resolution, as the case may be, reflecting  
562 the actions of the petitioners. After review of the petition and  
563 any other evidence as the Public Service Commission deems  
564 necessary, the commission may issue an order canceling the  
565 certificate and transferring to the authority the powers, duties  
566 and responsibilities granted by the certificate, including all  
567 assets and debts of the transferor petitioner related to such  
568 certificated services, real or personal, or both, if it finds  
569 that:

570           (a) Subsections (2) and (3) of this section have been  
571 complied with; and

572           (b) Such action is in the public interest.

573           (5) The authority and providers of water, sewer, or  
574 wastewater services that are not holders of a certificate of a  
575 public convenience and necessity from the Public Service  
576 Commission may enter into agreements for the provision of such  
577 services, including, but not limited to, the transfer to the  
578 authority of such provider's powers, duties, responsibilities,  
579 assets and debts.

580           **SECTION 10.** (1) Any system of a municipality, public agency  
581 or person that becomes subject to the jurisdiction of the  
582 authority and this act shall not impair, invalidate or abrogate  
583 any liens, bonds or other certificates of indebtedness related to  
584 water, storm water or wastewater facilities and systems incurred  
585 prior to becoming subject to the jurisdiction of the authority.

586           (2) The authority may do and perform any and all acts  
587 necessary, convenient or desirable to ensure the payment,  
588 redemption or satisfaction of such liens, bonds or other  
589 certificates of indebtedness.

590           **SECTION 11.** (1) Sections 11 through 20 of this act apply to  
591 all bonds to be issued after the effective date of this act and  
592 such provisions shall not affect, limit or alter the rights and  
593 powers of any authority under this act or any law of Mississippi  
594 to conduct the activities referred to herein in any way pertinent  
595 to the interests of the bondholders, including, without  
596 limitation, such authority's right to charge and collect rates,  
597 fees and charges and to fulfill the terms of any covenants made  
598 with the registered owners of any existing bonds, or in any other  
599 way impair the rights and remedies of the registered owners of any  
600 existing bonds, unless provision for full payment of such bonds,  
601 by escrow or otherwise, has been made pursuant to the terms of the  
602 bonds or the resolution, trust indenture or security interest  
603 securing the bonds.

604           (2) The authority shall have the power and is hereby  
605 authorized, from time to time, to borrow money and to issue  
606 revenue bonds and interim notes in such principal amounts as the  
607 authority may determine to be necessary to provide sufficient  
608 funds for achieving one or more of the purposes of this act,  
609 including, without limiting the generality of the foregoing, to  
610 defray all the costs of the project, the cost of the acquisition,  
611 construction, improvement, repair or extension of a system, or any  
612 part thereof, whether or not such facilities are owned by the  
613 authority, the payment of interest on bonds of the authority  
614 issued pursuant to this act, establishment of reserves to secure  
615 such bonds and payment of the interest thereon, expenses incident  
616 to the issuance of such bonds and to the implementation of the  
617 authority's system, and all other expenditures of the authority  
618 incident to or necessary or convenient to carry out the purposes  
619 of this act.

620           (3) Before issuing bonds, other than interim notes or  
621 refunding bonds as provided in Section 12 of this act, the board  
622 of directors of the authority shall adopt a resolution declaring

623 its intention to issue such bonds and stating the maximum  
624 principal amount of bonds proposed to be issued, a general generic  
625 description of the proposed improvements and the proposed location  
626 thereof and the date, time and place at which the board of  
627 directors proposes to take further action with respect to the  
628 issuance of such bonds. The resolution of the authority shall be  
629 published once a week for at least three (3) consecutive weeks in  
630 at least one (1) newspaper having a general circulation within the  
631 geographical limits of all of the public agencies which have  
632 contracted with the authority pursuant to this act.

633 (4) Bonds of the authority issued pursuant to this act shall  
634 be payable from and secured by a pledge of all or any part of the  
635 revenues under one or more contracts entered into pursuant to this  
636 act between the authority and one or more of its contracting  
637 public agencies and from all or any part of the revenues derived  
638 from the operation of any designated system or any part or parts  
639 thereof and any other monies legally available and designated  
640 therefor, as may be determined by such authority, subject only to  
641 any agreement with the purchasers of the bonds. Such bonds may be  
642 further secured by a trust indenture between such authority and a  
643 corporate trustee, which may be any trust company or bank having  
644 powers of a trust company without or within the state.

645 (5) Bonds of the authority issued pursuant to this act shall  
646 be authorized by a resolution or resolutions adopted by a majority  
647 affirmative vote of the total membership of the board of directors  
648 of the authority. Such bonds may be issued in series, and each  
649 series of such bonds shall bear such date or dates, mature at such  
650 time or times, bear interest at such rate or rates (not exceeding  
651 the maximum rate set out in Section 75-17-103, Mississippi Code of  
652 1972), be in such denomination or denominations, be in such form,  
653 carry such conversion privileges, have such rank or priority, be  
654 executed in such manner and by such officers, be payable from such  
655 sources in such medium of payment at such place or places within

656 or without the state, provided that one such place shall be within  
657 the state, and be subject to such terms of redemption prior to  
658 maturity, all as may be provided by resolution or resolutions of  
659 the board of directors. The term of such bonds issued pursuant to  
660 this act shall not exceed forty (40) years.

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

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

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

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

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

700           (11) The authority has the discretion to advance or borrow  
701 funds needed to satisfy any short-term cash flow demands or  
702 deficiencies or to cover start-up costs until such time as  
703 sufficient bonds, assets and revenues have been secured to satisfy  
704 the needs of the authority.

705           **SECTION 12.** (1) The authority may, by resolution adopted by  
706 its board of directors, issue refunding bonds for the purpose of  
707 paying any of its bonds at or prior to maturity or upon  
708 acceleration or redemption. Refunding bonds may be issued at such  
709 time prior to the maturity or redemption of the refunded bonds as  
710 the board of directors deems to be in the public interest, without  
711 an election on the question of the issuance thereof. The  
712 refunding bonds may be issued in sufficient amounts to pay or  
713 provide the principal of the bonds being refunded, together with  
714 any redemption premium thereon, any interest accrued or to accrue  
715 to the date of payment of such bonds, the expenses of issue of the  
716 refunding bonds, the expenses of redeeming the bonds being  
717 refunded, and such reserves for debt service or other capital or  
718 current expenses from the proceeds of such refunding bonds as may  
719 be required by the resolution, trust indenture or other security  
720 instruments. The issue of refunding bonds, the maturities and  
721 other details thereof, the security therefor, the rights of the

722 holders and the rights, duties and obligations of the authority in  
723 respect of the same shall be governed by the provisions of this  
724 act relating to the issue of bonds other than refunding bonds  
725 insofar as the same may be applicable. Any such refunding may be  
726 effected, whether the obligations to be refunded shall have then  
727 matured or shall thereafter mature, either by the exchange of the  
728 refunding bonds for the obligations to be refunded thereby with  
729 the consent of the holders of the obligations so to be refunded,  
730 or by sale of the refunding bonds and the application of the  
731 proceeds thereof to the payment of the obligations proposed to be  
732 refunded thereby, and regardless of whether the obligations  
733 proposed to be refunded shall be payable on the same date or  
734 different dates or shall be due serially or otherwise.

735 (2) Borrowing by the authority may be made by the delivery  
736 of interim notes to any person or public agency or financial  
737 institution by a simple majority vote of the board of directors.

738 **SECTION 13.** All bonds (other than refunding bonds, interim  
739 notes and certificates of indebtedness, which may be validated)  
740 issued pursuant to this act shall be validated as now provided by  
741 law in Sections 31-13-1 through 31-13-11, Mississippi Code of  
742 1972; however, notice of such validation proceedings shall be  
743 addressed to the citizens of the respective public agencies (a)  
744 which have contracted with the authority pursuant to this act, and  
745 (b) whose contracts and the payments to be made by the public  
746 agencies thereunder constitute security for the bonds of the  
747 authority proposed to be issued, and that such notice shall be  
748 published at least once in a newspaper or newspapers having a  
749 general circulation within the geographical boundaries of each of  
750 the contracting public agencies to whose citizens the notice is  
751 addressed. Such validation proceedings shall be instituted in any  
752 chancery courts within the boundaries of the authority. The  
753 validity of the bonds so validated and of the contracts and  
754 payments to be made by the public agencies thereunder constituting

755 security for the bonds shall be forever conclusive against the  
756 authority and the public agencies which are parties to the  
757 contracts; and the validity of the bonds, the contracts and the  
758 payments to be made thereunder shall never be called in question  
759 in any court in this state.

760         **SECTION 14.** Bonds issued under the provisions of this act  
761 shall not be deemed to constitute, within the meaning of any  
762 constitutional or statutory limitation, an indebtedness of the  
763 authority. Such bonds shall be payable solely from the revenues  
764 or assets of the authority pledged therefor. Each bond issued  
765 under this act shall contain on the face thereof a statement to  
766 the effect that the authority shall not be obligated to pay the  
767 same nor the interest thereon except from the revenues or assets  
768 pledged therefor.

769         **SECTION 15.** The authority shall have power in connection  
770 with the issuance of its bonds pursuant to this act to:

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

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

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

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



788           (e) Covenant as to the mortgage or pledge of or the  
789 grant of a security interest in any real or personal property and  
790 all or any part of the revenues from any designated system or any  
791 part thereof or any revenue-producing contract or contracts made  
792 by such authority with any person to secure the payment of bonds,  
793 subject to such agreements with the registered owners of bonds as  
794 may then exist;

795           (f) Covenant as to the custody, collection, securing,  
796 investment and payment of any revenues, assets, monies, funds or  
797 property with respect to which such authority may have any rights  
798 or interest;

799           (g) Covenant as to the purposes to which the proceeds  
800 from the sale of any bonds then or thereafter to be issued may be  
801 applied, and the pledge of such proceeds to secure the payment of  
802 the bonds;

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

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

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

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

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

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

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

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

837 **SECTION 16.** The authority may, in any authorizing resolution  
838 of the board of directors, trust indenture or other security  
839 instrument relating to its bonds issued pursuant to this act,  
840 provide for the appointment of a trustee who shall have such  
841 powers as are provided therein to represent the registered owners  
842 of any issue of bonds in the enforcement or protection of their  
843 rights under any such resolution, trust indenture or security  
844 instrument. The authority may also provide in such resolution,  
845 trust indenture or other security instrument that the trustee, or  
846 in the event that the trustee so appointed shall fail or decline  
847 to so protect and enforce such registered owners' rights then such  
848 percentage of registered owners as shall be set forth in, and  
849 subject to the provisions of, such resolution, trust indenture or  
850 other security interest, may petition the court of proper  
851 jurisdiction for the appointment of a receiver of the authority's  
852 systems, the revenues of which are pledged to the payment of the

853 principal of and interest on the bonds of such registered owners.  
854 Such receiver may exercise any power as may be granted in any such  
855 resolution, trust indenture or security instrument to enter upon  
856 and take possession of, acquire, construct or reconstruct or  
857 operate and maintain such system, fix charges for services of the  
858 system and enforce collection thereof, and receive all revenues  
859 derived from such system or facilities and perform the public  
860 duties and carry out the contracts and obligations of such  
861 authority in the same manner as such authority itself might do,  
862 all under the direction of such court.

863         **SECTION 17.** (1) The exercise of the powers granted by this  
864 act will be in all respects for the benefit of the people of the  
865 state, for their well-being and prosperity and for the improvement  
866 of their social and economic conditions, and the authority shall  
867 not be required to pay any tax or assessment on any property owned  
868 by the authority under the provisions of this act or upon the  
869 income therefrom; nor shall the authority be required to pay any  
870 recording fee or transfer tax of any kind on account of  
871 instruments recorded by it or on its behalf.

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

877         **SECTION 18.** All bonds issued under the provisions of this  
878 act shall be legal investments for trustees, other fiduciaries,  
879 savings banks, trust companies and insurance companies organized  
880 under the laws of the State of Mississippi; and such bonds shall  
881 be legal securities which may be deposited with and shall be  
882 received by all public officers and bodies of the state and all  
883 municipalities and other political subdivisions thereof for the  
884 purpose of securing the deposit of public funds.

885           **SECTION 19.** The state hereby covenants with the registered  
886 owners of any bonds of any authority that so long as the bonds are  
887 outstanding and unpaid the state will not limit or alter the  
888 rights and powers of any authority under this act to conduct the  
889 activities referred to herein in any way pertinent to the  
890 interests of the bondholders, including, without limitation, such  
891 authority's right to charge and collect rates, fees, assessments  
892 and charges and to fulfill the terms of any covenants made with  
893 the registered owners of the bonds, or in any other way impair the  
894 rights and remedies of the registered owners of the bonds, unless  
895 provision for full payment of such bonds, by escrow or otherwise,  
896 has been made pursuant to the terms of the bonds or the  
897 resolution, trust indenture or security interest securing the  
898 bonds.

899           **SECTION 20.** For the purposes of satisfying any temporary  
900 cash flow demands and deficiencies, and to maintain a working  
901 balance for the authority, the county, municipalities or public  
902 agencies within the geographic boundaries of the authority, or  
903 other persons, subject to their lawful authority to do so, are  
904 authorized to advance, at any time, such funds which, in its  
905 discretion, are necessary, or borrow such funds by issuance of  
906 notes, for initial capital contribution and to cover start-up  
907 costs until such times as sufficient bonds, assets and revenues  
908 have been secured to satisfy the needs of the authority for its  
909 management, operation and formation. To this end, the county,  
910 municipality, public agency or person, subject to their lawful  
911 authority to do so, shall advance such funds, or borrow such funds  
912 by issuance of notes, under such terms and conditions as may be  
913 provided by resolution of the governing body, or other persons as  
914 defined in this act, subject to their lawful authority to do so,  
915 except that each such resolution shall state:

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

917 (b) The amount to be advanced or the amount to be  
918 borrowed;

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

922 (d) In addition, the governing body, or other persons  
923 as defined in this act, subject to their lawful authority to do  
924 so, may arrange for lines of credit with any bank, firm or person  
925 for the purpose of providing an additional source of repayment for  
926 notes issued pursuant to this section. Amounts drawn on a line of  
927 credit may be evidenced by negotiable or nonnegotiable notes or  
928 other evidences of indebtedness and contain such terms and  
929 conditions as the governing body, or other persons as defined in  
930 this act, subject to their lawful authority to do so, may  
931 authorize in the resolution approving the same;

932 (e) The governing body of the county, municipalities or  
933 other persons as defined in this act, subject to their lawful  
934 authority to do so, may authorize the repayment of such advances,  
935 notes, lines of credit and other debt incurred under this section,  
936 along with all costs associated with the same, including, but not  
937 limited to, rating agency fees, printing costs, legal fees, bank  
938 or trust company fees, line of credit fees and other charges to be  
939 reimbursed by the authority under such terms and conditions as are  
940 reasonable and are to be provided for by resolution of the  
941 governing body, or terms agreed upon with other persons as defined  
942 in this act, subject to their lawful authority to do so;

943 (f) In addition, the governing body of the county,  
944 municipality or public agency may lease or donate office space and  
945 equipment to the authority under such terms and conditions as are  
946 reasonable and are to be provided for by resolution of the  
947 governing body, or terms agreed upon by the authority.

948 **SECTION 21.** If any clause, sentence, paragraph, section or  
949 part of the provisions of this act shall be adjudged by any court

950 of competent jurisdiction to be invalid, such judgment shall not  
951 affect, impair or invalidate the remainder thereof directly  
952 involved in the controversy in which such judgment shall have been  
953 rendered.

954         **SECTION 22.** This act shall take effect and be in force from  
955 and after its passage.