REGULAR SESSION 2018

By: Representative Beckett

To: Local and Private Legislation

## HOUSE BILL NO. 1684

AN ACT TO AUTHORIZE THE BOARD OF SUPERVISORS OF LAFAYETTE COUNTY, MISSISSIPPI, TO CREATE AND ESTABLISH A PUBLIC BODY CORPORATE AND POLITIC CONSTITUTING A POLITICAL SUBDIVISION OF THE STATE OF MISSISSIPPI TO BE KNOWN AS THE LAFAYETTE COUNTY UTILITY 5 AUTHORITY FOR THE PURPOSE OF PROVIDING NATURAL GAS, SOLID WASTE, STORM WATER, WATER AND WASTEWATER SYSTEMS FOR THE ANTICIPATED 7 GROWTH WITHIN LAFAYETTE COUNTY AND ECONOMIC DEVELOPMENT ACTIVITIES 8 WITHIN LAFAYETTE COUNTY; TO PROVIDE FOR A BOARD OF DIRECTORS TO 9 EXERCISE THE POWERS OF THE AUTHORITY; TO PROVIDE FOR THE MEMBERSHIP OF THE BOARD OF DIRECTORS; TO PROVIDE FOR THE POWERS, 10 11 DUTIES AND RESPONSIBILITIES OF THE AUTHORITY; TO AUTHORIZE PUBLIC 12 AGENCIES TO ENTER INTO CONTRACTS WITH THE AUTHORITY FOR CERTAIN 13 PURPOSES; TO PROVIDE THAT ANY MUNICIPALITY, PUBLIC AGENCY, DISTRICT, PUBLIC UTILITY OR OTHER PERSON AUTHORIZED BY LAW TO 14 15 PROVIDE NATURAL GAS, WATER, SEWER AND WASTEWATER SERVICES TO TRANSFER ITS POWERS, DUTIES AND RESPONSIBILITIES TO THE AUTHORITY; 16 17 TO AUTHORIZE THE AUTHORITY TO BORROW MONEY AND TO ISSUE REVENUE 18 BONDS AND INTERIM NOTES IN SUCH PRINCIPAL AMOUNTS AS THE AUTHORITY MAY DETERMINE TO BE NECESSARY TO PROVIDE SUFFICIENT FUNDS FOR 19 20 ACHIEVING ONE OR MORE OF THE PURPOSES OF THIS ACT; AND FOR RELATED 21 PURPOSES. 22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

23 SECTION 1. The purpose of this act is to create the 24 Lafayette County Utility Authority for the purpose of providing 25 natural gas, solid waste, storm water, water, and wastewater 26 systems for the anticipated growth within Lafayette County and 27 economic development activities within Lafayette County. The act

- 28 provides for a cooperative effort by any area situated within
- 29 Lafayette County, including the areas situated within the
- 30 corporate boundaries of any existing municipality and other
- 31 eligible municipalities, public agencies and political
- 32 subdivisions, for the acquisition, construction, operation of a
- 33 user funded solid waste, storm water, water or wastewater systems,
- 34 in order to prevent and control the pollution of the waters in
- 35 this state by the creation of the Lafayette County Utility
- 36 Authority. This act may be cited as the "Lafayette County Utility
- 37 Authority Act."
- 38 **SECTION 2.** Whenever used in this act, the following words
- 39 and phrases shall have the meanings ascribed in this section
- 40 unless the context clearly indicates otherwise:
- 41 (a) "Authority" means the Lafayette County Utility
- 42 Authority created under this act.
- 43 (b) "Board of directors" means the Board of Directors
- 44 of the Lafayette County Utility Authority.
- 45 (c) "Economic development project" shall be any project
- 46 which the Board of Supervisors of Lafayette County by resolution
- 47 defines to be an economic development project.
- 48 (d) "Facilities" mean any structure, building, ditch,
- 49 pipe, channel, improvement, land or other real or personal
- 50 property used or useful in natural gas, storm water,
- 51 water, wastewater systems or combination of systems under this
- 52 act.

53 (e) "Fiscal year" means the period of time beginn.
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- 54 October 1 of each year and ending on September 30 of each year.
- (f) "Governing body" means the elected or duly
- 56 appointed officials constituting the governing body of a
- 57 municipality or county.
- 58 (g) "Municipality" means any incorporated city, town or
- 59 village in this state.
- (h) "Natural gas" shall be the transmission, sale, sale
- 61 for resale, or distribution of natural, artificial or mixed
- 62 natural and artificial gas to the public for compensation by means
- 63 of transportation, transmission or distribution facilities and
- 64 equipment located within the service area; however, the term shall
- 65 not include the production and gathering of natural gas, the sale
- 66 of natural gas in or within the vicinity of the field where
- 67 produced, or the distribution or sale of liquefied petroleum gas
- 68 or the sale to the ultimate consumer of natural gas for use as
- 69 motor vehicle fuel.
- 70 (i) "Person" means the State of Mississippi, a
- 71 municipality, any public agency or any other city, town, village
- 72 or political subdivision or governmental agency of the State of
- 73 Mississippi or of the United States of America or any private
- 74 utility, individual, copartnership, association, firm, trust,
- 75 estate or any other entity whatsoever.

- (j) "Project" means the construction, development or
  acquisition by the authority or county of any infrastructure for
  industrial, commercial and residential development, economic
  development projects, and the construction and operation of
  natural gas, storm water, water or wastewater systems or services
  and includes upgrading or repair of existing systems.
- (k) "Public agency" means any municipality, county,
  political subdivision, governmental authority or unit, public
  institution of higher learning, community college, planning and
  development district, drainage district or any body politic and
  corporate or governmental agency created under the laws of the
  state.
- 88 (1)"Solid waste" shall mean any garbage, refuse, 89 sludge from a waste treatment plant, water supply treatment plant or air pollution control facility and other discarded material, 90 91 including solid, liquid, semisolid or contained gaseous material 92 resulting from industrial, commercial, mining and agricultural operations, and from community activities, but does not include 93 94 solid or dissolved material in domestic sewage, or solid or 95 dissolved materials in irrigation returns flows or industrial 96 discharges which are point sources subject to permits under 97 Section 402 of the Federal Water Pollution Control Act, as amended (86 Stat. 880), or source, special nuclear or by-product material 98 99 as defined by the Atomic Energy Act of 1954.
- 100 (m) "State" means the State of Mississippi.

101		(n)	"Sto	orm	water"	means	any	flow	occi	ırring	duri	Lng	or
102	following	any	form	of	natura	l preci	ipitā	ation	and	result	ing	fro	m
103	that preci	ipita	ation.										

- 104 "System" or "systems" means any plants, structures, 105 facilities and other real and personal property, used or useful in 106 the generation, storage, transportation or supply of natural gas, 107 solid waste, water, and the collection, transportation, treatment 108 or disposal of wastewater, and storm water, including, but not 109 limited to, tanks, reservoirs, lakes, streams, ponds, pipes, trunk 110 lines, mains, sewers, conduits, pipelines, pumping and ventilating 111 stations, plants and works, connections and any other real and 112 personal property and rights therein necessary, useful or 113 convenient for the purposes of the authority in connection 114 therewith.
- 115 (p) "Wastewater" means water being disposed of by any
  116 person and which is contaminated with waste or sewage, including
  117 industrial, municipal and any other waste that may cause
  118 impairment of the quality of the waters in the state.
- 119 (q) "Water" means potable water, service water and 120 groundwater.
- 121 (r) "Unit of local government" means any county or
  122 municipality of the state.
- SECTION 3. The Board of Supervisors of Lafayette County,

  Mississippi, is authorized and empowered, in its discretion to

  create and establish a public body corporate and politic

126 constituting a political subdivision of the State of Mississippi 127 to be known as the Lafayette County Utility Authority. authority is composed of the geographic area of Lafayette County 128 129 as defined in Section 19-1-71, Mississippi Code of 1972, for the 130 purpose of acquiring property for the planning, acquisition, 131 construction, maintenance, operation and coordination of natural 132 gas, solid waste, storm water, water and wastewater systems in 133 order to ensure the delivery of natural gas, solid waste, storm 134 water, water, and wastewater services to citizens residing within the boundaries of Lafayette County and for economic development 135 136 projects. The Lafayette County Utility Authority shall be deemed 137 to be acting in all respects for the benefit of the people of the state in the performance of essential public functions, and the 138 139 Lafayette County Utility Authority shall be empowered in accordance with the provisions of this act to promote the health, 140 141 welfare and prosperity of the general public.

- SECTION 4. (1) All powers of the Lafayette County Utility

  Authority shall be exercised by a board of directors comprised of

  seven (7) directors who shall be appointed within thirty (30) days

  of the creation of the authority as follows:
- 146 (a) The Mayor of the City of Oxford, Mississippi, shall 147 appoint, with the advice and consent of the board of supervisors, 148 one (1) director for a term of five (5) years;

149		(b)	Chancello	or of	the Univ	versity	of Mis	ssissippi	shall
150	appoint,	with	the advice	and	consent	of the	board	of superv	isors,
151	one (1)	direct	or for a t	erm o	of three	(3) yea	ars;		

- (c) The board of supervisors shall appoint one (1)
  director for an initial term of one (1) year; one (1) director for
  an initial term of two (2) years; one (1) director for an initial
  term of three (3) years; one (1) director for an initial term of
  four (4) years and one (1) director for a term of five (5) years.
  - (2) No elected official may serve as a director. Upon the expiration of the initial term, the director shall be appointed to a term of five (5) years. Any vacancy arising by expiration of a director's term, or a vacancy created by the removal of a director for any other reason, shall be filled by the public agency originally responsible for the appointment of the director vacating his or her appointment. The directors shall serve at the will and pleasure of the governing body making the appointments.
  - (3) The board of supervisors, when making each appointment, shall ensure diversity among members of the board of directors.

    Members appointed to the authority collectively must possess strong experience and expertise in public and nonprofit governance, management and finance, real estate, economic development, engineering and public utilities. Each member of the board of directors must have demonstrated an understanding of and commitment to providing utility services to the citizens of Lafayette County.

174	(4) The board of directors shall elect annually from its
175	number a president and a vice president of the authority and such
176	other officers as in the judgment of the board is necessary. The
177	president shall be the chief executive officer of the authority
178	and the presiding officer of the board, and shall have the same
179	right to vote as any other director. The vice president shall
180	perform all duties and exercise all powers conferred by this act
181	upon the president when the president is absent, fails or declines
182	to act, except the president's right to vote. The board also
183	shall appoint a secretary and a treasurer who may or may not be
184	members of the board, and it may combine these offices. The
185	treasurer shall give bond in the sum of not less than One Hundred
186	Thousand Dollars (\$100,000.00) as set by the board of directors,
187	and each director may be required to give bond in the sum of not
188	less than Fifty Thousand Dollars (\$50,000.00), with sureties
189	qualified to do business in this state, and the premiums on bonds
190	shall be an expense of the authority. Each bond shall be payable
191	to the State of Mississippi. The condition of each bond shall be
192	that the treasurer and director will faithfully perform all duties
193	of his or her office and account for all money and other assets
194	which shall come into his or her custody as treasurer or director
195	of the authority.

(5) The members of the board of directors shall serve without salary, but shall be entitled to receive per diem pay as provided in Section 25-3-69, Mississippi Code of 1972. The

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- 199 members of the board of directors shall be reimbursed their actual
- 200 travel and hotel expenses as provided in Section 25-3-41,
- 201 Mississippi Code of 1972, incurred while in the performance of
- 202 their duties as members of the board of directors, to be paid on
- 203 an itemized statement. Expenses shall he paid from available
- 204 funds of the authority.
- 205 (6) All business of the authority shall be transacted by a
- 206 simple majority affirmative vote of the total membership of the
- 207 board of directors. The quorum for any meeting of the board of
- 208 directors shall be a simple majority of the total membership of
- 209 the board of directors.
- 210 (7) Regular meetings of the board of directors shall be held
- 211 as set forth in its bylaws for management of the authority's
- 212 business and affairs. Additional meetings of the board shall be
- 213 held at the call of the chairman or whenever a majority of
- 214 directors so request.
- 215 **SECTION 5.** In addition to any other powers granted under any
- 216 other provision of law, the authority shall have the following
- 217 powers including, but not limited to:
- 218 (a) To acquire, construct, improve, enlarge, extend,
- 219 repair, operate and maintain one or more of its systems used for
- 220 providing services for natural gas, solid waste, storm water,
- 221 water and wastewater.
- (b) To make contracts with any person in furtherance
- 223 thereof; and to make contracts with any person, under the terms of

224	which	the	aut	chority	will	pro	vide	service	es :	for	nat	ural	gas,	solid
225	waste,	sto	orm	water,	water	or	wast	tewater	for	r sı	ıch	perso	on.	

- (c) To make contracts with any person to design and
  construct any natural gas, solid waste, storm water, water,
  wastewater systems or facilities and thereafter to purchase, lease
  or sell, by installments over such terms as may be deemed
  desirable, reasonable and necessary, or otherwise, any such system
  or systems.
- 232 To enter into operating agreements with any person, (d) for such terms and upon such conditions as may be deemed 233 234 desirable, for the operation of any natural gas, solid waste, 235 storm water, water or wastewater systems; and the authority may 236 lease to or from any person, for such term and upon such 237 conditions as may be deemed desirable, any natural gas, solid 238 waste, storm water, water, wastewater facilities or systems. Any 239 such contract may contain provisions requiring any public agency 240 or other person to regulate the quality and strength of materials to be handled by the respective system or systems and also may 241 242 provide that the authority shall have the right to use any 243 streets, alleys and public ways and places within the jurisdiction 244 of a public agency or other person during the term of the 245 contract.
- (e) To enter into contracts with any person or any
  public agency, including, but not limited to, contracts authorized
  by this act, in furtherance of any of the purposes authorized

249 under this act upon such consideration as the board of directors 250 and such person may agree. Any such contract may extend over any 251 period of time, notwithstanding any provision or rule of law to 252 the contrary; may be upon such terms and for such consideration, 253 nominal or otherwise, as the parties thereto shall agree; and may 254 provide that it shall continue in effect until bonds specified 255 therein, refunding bonds issued in lieu of such bonds, and all 256 other obligations specified therein are paid or terminated. Any 257 such contract shall be binding upon the parties thereto according 258 to its terms.

- 259 (f) To adopt an official seal and alter the seal at its 260 pleasure.
- 261 (g) To sue and be sued, in its own name, and to enjoy
  262 all of the protections, immunities and benefits provided by the
  263 Mississippi Tort Claims Act as it may be amended or supplemented
  264 from time to time.
- 265 (h) To maintain office space at such place or places 266 within Lafayette County as it may determine.
- 267 (i) To invest money of the authority, including
  268 proceeds from the sale of any bonds subject to any agreements with
  269 bondholders, on such terms and in such manner as the authority
  270 deems proper.
- (j) To require the necessary relocation or rerouting of roads and highways, railroads, telephone and telegraph lines, and properties, electric power lines, gas pipelines and related

- facilities or to require the anchoring or other protection of any
  of these, provided fair compensation is first paid to the owners
  or an agreement with such owners regarding the payment of the cost
  of such relocation, and to acquire easements or rights-of-way for
  such relocation or rerouting and to convey the same to the owners
  of the property being relocated or rerouted in connection with the
  purposes of this act.
- 281 To acquire, construct, improve or modify, to (k) 282 operate or cause to be operated and maintained, either as owner of 283 all or of any part in common with others, any natural gas, solid 284 waste, storm water, water or wastewater system within the 285 authority's service area. The authority may pay all or part of 286 the cost of any system from any contribution by persons, firms, 287 public agencies or corporations. The authority may receive, accept and use all funds, public or private, and pay all costs of 288 289 the development, implementation and maintenance as may be 290 determined as necessary for any project.
  - (1) To acquire, in its own name, by purchase on any terms and conditions and in any manner as it may deem proper, including by eminent domain through action of Lafayette County, property for public use, or by gift, grant, lease, or otherwise, real property or easements therein, franchises and personal property necessary or convenient for its corporate purposes.
- 297 (m) To acquire, in its own name, by purchase on any 298 terms and conditions and in any manner as it may deem proper,

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- including eminent domain through action of Lafayette County,
  property for the economic development of the county, or by gift,
  grant, lease, or otherwise, real property or easements therein and
  may lease or manage such property for the economic development of
  the county and personal property necessary or convenient for the
  economic development of the county.
- 305 (n) To acquire insurance for the authority's systems,
  306 facilities, buildings, treatment plants and all property, real or
  307 personal, to insure against all risks as any insurance may, from
  308 time to time, be available.
- 309  $(\circ)$ To use any property and rent or lease any property 310 to or from others, including public agencies, or make contracts 311 for the use of the property. The authority may sell, lease, exchange, transfer, assign, pledge, mortgage or grant a security 312 313 interest for any property. The powers to acquire, use and dispose 314 of property as set forth in this paragraph shall include the power 315 to acquire, use and dispose of any interest in that property, 316 whether divided or undivided, title to any property of the 317 authority shall be held by the authority exclusively for the 318 benefit of the public.
- 319 (p) To apply, contract for, accept, receive and
  320 administer gifts, grants, appropriations and donations of money,
  321 materials, and property of any kind, including loans and grants
  322 from the United States, the state, a unit of local government, or
  323 any agency, department, district or instrumentality of any of the

- 324 foregoing, upon any terms and conditions as the United States, the
- 325 state, a unit of local government or any agency, department,
- 326 district or instrumentality shall impose. The authority may
- 327 administer trusts. The authority may sell, lease, transfer,
- 328 convey, appropriate and pledge any and all of its property and
- 329 assets.
- 330 (q) To make and enforce, and from time to time amend
- 331 and repeal, bylaws, rules, ordinances and regulations for the
- 332 management of its business and affairs and for the construction,
- 333 use, maintenance and operation of any of the systems under its
- 334 management and control.
- 335 (r) To employ and terminate staff and other personnel,
- 336 including attorneys, engineers and consultants as may be necessary
- 337 to the functioning of the authority. The board of directors, in
- 338 its discretion, may employ an executive director having the
- 339 authority to employ and fire employees and other duties as
- 340 determined by the board.
- 341 (s) To establish and maintain rates, fees, assessments
- 342 and any other charges for services and the use of systems and
- 343 facilities within the control of the authority, and from time to
- 344 time, to adjust such rates, fees, assessments and any other
- 345 charges to the end that the revenues therefrom will be sufficient
- 346 at all times to pay the expenses of operating and maintaining of
- 347 the facilities and systems and all of the obligations under any
- 348 contract or bonds resolution with respect thereto or any

- obligation of any person under any agreement, contract, indenture or bonds resolution with respect thereto. Such rates, fees, assessments and any other charges shall not be subject to the jurisdiction of the Mississippi Public Service Commission.
- 353 (t) To adopt rules and regulations necessary to
  354 accomplish the purposes of the authority and to assure the payment
  355 of each participating person or public agency of its proportionate
  356 share of the costs for use of any of the systems.
- 357 (u) To enter on public or private lands, waters or 358 premises for the purpose of making surveys, borings or soundings, 359 or conducting tests, examinations or inspections for the purposes 360 of the district, subject to responsibility for any damage done to 361 property entered.
- 362 (v) To accept industrial wastewater from within the 363 boundaries of the authority for treatment and to require the 364 pretreatment of same when, in the opinion of the authority, such 365 pretreatment is necessary.
- 366 To assume control and administer, within the 367 authority's jurisdiction, any natural gas, solid waste, storm 368 water, water or wastewater system or systems by agreement and/or 369 contract with any person providing that such services are 370 requested by such person to be relieved of that responsibility; however, the person may maintain control over connections in their 371 372 service areas and may charge rates, fees and any other charges in addition to the rates, fees and any charges of the authority. 373

375	County, shall have the power of eminent domain for the particular
376	purpose of the acquisition of property designated by plan to
377	sufficiently accommodate the location of natural gas, solid waste,
378	storm water, water or wastewater systems and such requirements
379	related directly thereto pursuant to the provisions of Chapter 27,
380	Title 11, Mississippi Code of 1972; however, the authority,
381	through the actions of Lafayette County, shall not have the power
382	to eminent domain any system currently being operated under a
383	certificate of public convenience issued by the Mississippi Public
384	Service Commission. No person owning the drilling rights or the
385	right to share in production shall be prevented from exploring,
386	developing or producing oil or gas with necessary rights-of-way
387	for ingress and egress, pipelines and other means of transporting
388	such interests on any lands or interest of the authority held or
389	used for the purposes of this act, but any such activities shall
390	be subject to reasonable regulations by the board of directors
391	that will adequately protect the systems or projects of the
392	authority.

The authority, through the actions of Lafayette

- 393 (y) To use any legally available funds to acquire,
  394 rebuild, operate and maintain any existing natural gas, solid
  395 waste, storm water, water or wastewater systems owned or operated
  396 by any person.
- 397 (z) To refuse to receive solid waste, storm water or 398 wastewater from any public agency or person.

399	(aa) To require that all solid waste, storm water,
400	water and wastewater within the boundaries of the authority be
401	disposed of through the appropriate treatment system to the extent
402	that the system may be available.

- SECTION 6. (1) The authority shall have the power, duty and responsibility to exercise general supervision over the design, construction, operation and maintenance of natural gas, solid waste, storm water, water, and wastewater systems.
- 407 (2) The authority shall adopt rules and regulations
  408 regarding the design, construction or installation, operation and
  409 maintenance of natural gas, solid waste, storm water, water and
  410 wastewater systems.
- 411 (3) The authority shall adopt rules and regulations
  412 regarding the use of decentralized wastewater treatment systems,
  413 individual on-site wastewater treatment systems and centralized
  414 wastewater treatment systems.
- 415 (4) The authority shall adopt rules establishing a standard
  416 application form for the installation, operation and maintenance
  417 of natural gas, storm water, water and wastewater system;
  418 application review; approval or denial procedures for any proposed
  419 system; inspection, monitoring and reporting guidelines; and
  420 enforcement procedures.
- 421 (5) No county, municipality, public agency, or person shall 422 construct or place a residence, building, facility, system, or 423 development within the authority's service area which may require

- 424 the installation of natural gas, solid waste, storm water,
- 425 wastewater, or water system or systems without first obtaining
- 426 approval from the authority, or its designee.
- 427 (6) Any system of any municipality, public agency or other
- 428 persons which becomes connected with, or tied into, the systems of
- 429 the authority, shall be subject to the authority's jurisdiction
- 430 and the terms of this act as it relates to the connection or use
- 431 of the authority's systems.
- 432 (7) The authority shall approve all solid waste, storm
- 433 water, water and wastewater systems prior to approval or renewal
- 434 of any permit issued by the appropriate state agency or staff.
- 435 (8) Notwithstanding the provisions of Section 51-39-1 et
- 436 seq., the authority shall have the full power to adopt rules and
- 437 regulations and to construct, maintain and operate facilities for
- 438 the control of storm water quality and quantity. In addition, the
- 439 provisions of Section 51-33-1 et seq., relating to drainage
- 440 districts and flood control districts do not apply to the
- 441 authority.
- 442 (9) The authority may control and operate local retail
- 443 natural gas, solid waste, storm water, water and wastewater
- 444 services and may provide or be responsible for direct servicing of
- 445 those services to residences, businesses and individuals; however,
- 446 the authority shall not provide the same services in an area
- 447 provided by a public utility or person holding a certificate of
- 448 public convenience and necessity issued by the Mississippi Public

449 Service Commission for the provision of such services in the

450 certificated area, except for economic development purposes and

451 only after the public utility has first

452 determined that it cannot serve the economic development project.

SECTION 7. (1) Any public agency or person, pursuant to a

454 duly adopted resolution of the governing body of such public

455 agency or person, may enter into contracts with the authority

456 under the terms of which the authority will manage, operate and

457 contract for usage of its systems and facilities, or other

458 services, for such person or public agency.

459 (2) Any public agency or person may enter into contracts

with the authority for the authority to purchase or sell, by

461 installments over such terms as may be deemed desirable, or

462 otherwise, to any person or any systems. Any public agency may

463 sell, donate, convey, or otherwise dispose of natural gas, solid

464 waste, storm water, water, or wastewater facilities or systems; or

465 any equipment, personal property or any other things, deemed

466 necessary for the construction, operation, and maintenance to the

467 authority without the necessity of appraisal, advertising, or

468 bidding. This subsection creates an alternative method of

469 disposal of public property.

470 (3) Any public agency is authorized to enter into operating

471 agreements with the authority, for such terms and upon such

472 conditions as may be deemed desirable, for the operation of any of

- its property or systems of any person by the authority or by any person contracting with the authority to operate such systems.
- 475 (4) Any public agency may lease property or systems to or 476 from the authority for such term and upon such conditions as may 477 be deemed desirable.
- 478 (5) Any municipality or county may donate office space, 479 equipment, supplies, and materials to the authority.
- 480 Any such contract may contain provisions requiring any 481 public agency or other person to regulate the quality and strength of the material to be handled by the wastewater systems and may 482 483 also provide that the authority shall have the right to use any 484 streets, alleys, public ways and places within the jurisdiction of 485 a public agency or other person during the term of the contract. 486 Such contracts may obligate the public agency to make payments to 487 the authority or to a trustee in amounts which shall be sufficient 488 to enable the authority to defray the expenses of administering, 489 operating and maintaining its respective systems, to pay interest 490 and principal (whether at maturity upon redemption or otherwise) on bonds of the authority, issued under this act and to fund 491 492 reserves for debt service, for operation and maintenance and for 493 renewals and replacements, to fulfill the requirements of any rate 494 covenant with respect to debt service coverage contained in any 495 resolution, trust indenture or other security agreement relating 496 to the bonds of the authority issued under this act or to fulfill

497 any other requirement relating to bonds issued pursuant to this 498 act.

499 Any public agency shall have the power to enter into 500 such contracts with the authority as in the discretion of the 501 governing body of the public agency would be in the best interest 502 of the public agency. Such contracts may include a pledge of the 503 full faith and credit of such public agency and/or the avails of 504 any special assessments made by such public agency against 505 property receiving benefits, as now or hereafter are provided by 506 law. Any such contract may provide for the sale, or lease to, or 507 use of by the authority, of the systems or any part thereof, of 508 the public agency; and may provide that the authority shall 509 operate its systems or any part thereof of the public agency; and 510 may provide that any public agency shall have the right to continued use and/or priority use of the systems or any part 511 512 thereof during the useful life thereof upon payment of reasonable 513 charges therefor; and may contain provisions to assure equitable treatment of persons or public agencies who contract with the 514 515 authority under this act; and may contain such other provisions 516 and requirements as the parties thereto may determine to be 517 appropriate or necessary. Such contracts may extend over any 518 period of time, notwithstanding any provisions of law to the 519 contrary and may extend beyond the life of the respective systems or any part thereof or the term of the bonds sold with respect to 520 such facilities or improvements thereto. 521

522	(8) The obligations of a public agency arising under the
523	terms of any contract referred to in this act, whether or not
524	payable solely from a pledge of revenues, shall not be included
525	within the indebtedness limitations of the public agency for
526	purposes of any constitutional or statutory limitation or
527	provision. To the extent provided in such contract and to the
528	extent such obligations of the public agency are payable wholly or
529	in part from the revenues and other monies derived by the public
530	agency from the operation of its systems or of its combined
531	systems, or any part thereof, such obligations shall be treated as
532	expenses of operating such systems.

- (9) Contracts referred to in this section may also provide for payments in the form of contributions to defray the cost of any purpose set forth in the contracts and as advances for the respective systems or any part thereof subject to repayment by the authority. A public agency may make such contributions or advances from its general fund or surplus fund or from special assessments or from any monies legally available therefor.
- 540 (10) Payments made, or to be made, to the authority by a 541 public agency or other person under a contract for any of its 542 treatment systems, or any property thereof, shall not be subject 543 to approval or review by the Mississippi Public Service 544 Commission.
- 545 (11) Subject to the terms of a contract or contracts
  546 referred to in this act, the authority is hereby authorized to do

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and perform any and all acts or things necessary, convenient or
desirable to carry out the purposes of such contracts, including
the fixing, charging, collecting, maintaining and revising of
rates, fees, assessments and other charges for the services
rendered to any user of any of the properties or systems operated
or maintained by the authority, whether or not such systems are
owned by the authority.

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

SECTION 8. Whenever a public agency shall have executed a contract under this act and the payments thereunder are to be made either wholly or partly from the revenues of the public agency's systems, or any part thereof, or a combination of such systems, the duty is hereby imposed on the public agency to establish and maintain and from time to time to adjust the rate or fees charged by the public agency for the services of such systems, so that the revenues therefrom, together with any taxes and special assessments levied in support thereof, will be sufficient at all times to pay (a) the expense of operating and maintaining such properties or systems, including all of the public agency's obligations to the authority, its successors or assigns under such

572 contract; and (b) all of the public agency's obligations tinder

573 and in connection with bonds theretofore issued, or which may be

574 issued thereafter and secured by the revenues of such systems.

575 Any such contract may require the use of consulting engineers and

576 financial experts to advise the public agency whether and when

577 such rates and fees are to be adjusted.

578 **SECTION 9.** (1) Notwithstanding the provisions of Sections

579 77-3-21 and 77-3-23, Mississippi Code of 1972, the certificate of

580 public convenience and necessity held by any municipality, public

581 agency, district, public utility or other person authorized by law

582 to provide natural gas, water, sewer and wastewater services may

583 be canceled and its powers, duties and responsibilities

transferred to the authority in the manner provided by this

585 section.

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586 (2) Any entity described in subsection (1) of this section

desiring to have its certificate of public convenience and

588 necessity canceled and its powers, duties and responsibilities

589 transferred to the authority shall make a determination to that

590 effect on its official minutes if a public entity, or by affidavit

if not a public entity, and transmit such determination to the

592 authority.

593 (3) Upon receipt of the document evidencing such

594 determination from an entity to transfer its powers, duties and

595 responsibilities to the authority, the authority shall by

resolution declare whether it is willing and able to accept such transfer from the entity.

- 598 Upon completion of the requirements of subsections (2) 599 and (3) of this section and agreement by both parties to the 600 transfer, the holder of the certificate of public convenience and 601 necessity and the authority shall jointly petition the Public 602 Service Commission to cancel the certificate of public convenience 603 and necessity. The petition must be accompanied by copies of the 604 official minutes, affidavit or resolution, as the case may be, 605 reflecting the actions of the petitioners. After review of the 606 petition and any other evidence as the Public Service Commission 607 deems necessary, the commission may issue an order canceling the 608 certificate and transferring to the authority the powers, duties 609 and responsibilities granted by the certificate, including all assets and debts of the transferor petitioner related to such 610 611 certificated services, real or personal, or both, if it finds 612 that:
- 613 (a) Subsections (2) and (3) of this section have been 614 complied with; and
- 615 (b) Such action is in the public interest.
- (5) The authority and providers of natural gas, water,
  sewer, or wastewater services that are not holders of a
  certificate of public convenience and necessity from the Public
  Service Commission may enter into agreements for the provision of
  such services, including, but not limited to, the transfer to the

authority of such provider's powers, duties, responsibilities, assets and debts.

SECTION 10. (1) If any system of a municipality, public agency or person that becomes subject to the jurisdiction of an authority, this act shall not impair, invalidate or abrogate any liens, bonds or other certificates of indebtedness related to natural gas, solid waste, water, storm water or wastewater facilities and systems incurred prior to becoming subject to the jurisdiction of the authority.

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

SECTION 11. (1) Sections 11 through 20 of this act apply to all bonds to be issued after the effective date of this act and such provisions shall not affect, limit or alter the rights and powers of any person under this act or any law of Mississippi to conduct the activities referred to herein in any way pertinent to the interests of the bondholders, including, without limitation, such person's right to charge and collect rates, fees and charges and to fulfill the terms of any covenants made with the registered owners of any existing bonds, or in any other way impair the rights and remedies of the registered owners of any existing bonds, unless provision for full payment of such bonds, by escrow or otherwise, has been made pursuant to the terms of the bonds or

the resolution, trust indenture or security interest securing the bonds.

- 648 The authority shall have the power and is hereby authorized, from time to time, to borrow money and to issue 649 650 revenue bonds and interim notes in such principal amounts as the 651 authority may determine to be necessary to provide sufficient 652 funds for achieving one or more of the purposes of this act, 653 including, without limiting the generality of the foregoing, to 654 defray all the costs of the project, the cost of the acquisition, 655 construction, improvement, repair or extension of a system, or any part thereof whether or not such facilities are owned by the 656 657 authority, the payment of interest on bonds of the authority issued pursuant to this act, establishment of reserves to secure 658 659 such bonds and payment of the interest thereon, expenses incident 660 to the issuance of such bonds and to the implementation of the 661 authority's system, and all other expenditures of the authority 662 incident to or necessary or convenient to carry out the purposes 663 of this act.
- 664 (3) Before issuing bonds, other than interim notes or
  665 refunding bonds as provided in Section 12 of this act, the board
  666 of directors of the authority shall adopt a resolution declaring
  667 its intention to issue such bonds and stating the maximum
  668 principal amount of bonds proposed to be issued, a general generic
  669 description of the proposed improvements and the proposed location
  670 thereof and the date, time and place at which the board of

- directors proposes to take further action with respect to the issuance of such bonds. The resolution of the authority shall be published once a week for at least three (3) consecutive weeks in at least one (1) newspaper having a general circulation within the geographical limits of all of the public agencies which have contracted with the authority pursuant to this act.
  - (4) Bonds of the authority issued pursuant to this act shall be payable from and secured by a pledge of all or any part of the revenues under one or more contracts entered into pursuant to this act between the authority and one or more of its contracting public agencies and from all or any part of the revenues derived from the operation of any designated system or any part or parts thereof and any other monies legally available and designated therefor, as may be determined by such authority, subject only to any agreement with the purchasers of the bonds. Such bonds may be further secured by a trust indenture between such authority and a corporate trustee, which may be any trust company or bank having powers of a trust company without or within the state.
  - (5) Bonds of the authority issued pursuant to this act shall be authorized by a resolution or resolutions adopted by a majority affirmative vote of the total membership of the board of directors of the authority. Such bonds may be issued in series, and each series of such bonds shall bear such date or dates, mature at such time or times, bear interest at such rate or rates (not exceeding the maximum rate set out in Section 75-17-103, Mississippi Code of

- 696 1972), be in such denomination or denominations, be in such form, carry such conversion privileges, have such rank or priority, be 697 698 executed in such manner and by such officers, be payable from such 699 sources in such medium of payment at such place or places within 700 or without the state, provided that one such place shall be within 701 the state, and be subject to such terms of redemption prior to 702 maturity, all as may be provided by resolution or resolutions of the board of directors. The term of such bonds issued pursuant to 703 704 this act shall not exceed forty (40) years.
- (6) Bonds of the authority issued pursuant to this act may
  be sold at such price or prices, at public or private sale, in
  such manner and at such times as may be determined by such
  authority to be in the public interest, and such authority may pay
  all expenses, premiums, fees and commissions which it may deem
  necessarily and advantageous in connection with the issuance and
  sale thereof.
- 712 Any pledge of earnings, revenues or other monies made by the authority shall be valid and binding from the time the pledge 713 714 is made. The earnings, revenues or other monies so pledged and 715 thereafter received by such authority shall immediately be subject 716 to the lien of such pledge without any physical delivery thereof 717 or further act, and the lien of any such pledge shall be valid and 718 binding as against all parties having claims of any kind in tort, 719 contract or otherwise against such authority irrespective of 720 whether such parties have notice thereof. Neither the resolution

- nor any other instrument by which a pledge is created need be recorded.
- 723 (8) Neither the members of the board of directors nor any
  724 person executing the bonds shall be personally liable on the bonds
  725 or be subject to any personal liability or accountability by
  726 reason of the issuance thereof.
- 727 (9) Proceeds from the sale of bonds of the authority may be
  728 invested, pending their use, in such securities as may be
  729 specified in the resolution authorizing the issuance of the bonds
  730 or the trust indenture securing them, and the earnings on such
  731 investments applied as provided in such resolution or trust
  732 indenture.
- 733 Whenever any bonds shall have been signed by the 734 officer(s) designated by the resolution of the board of directors to sign the bonds who were in office at the time of such signing 735 736 but who may have ceased to be such officer(s) prior to the sale 737 and delivery of such bonds, or who may not have been in office on 738 the date such bonds may bear, the manual or facsimile signatures 739 of such officer(s) upon such bonds shall nevertheless be valid and 740 sufficient for all purposes and have the same effect as if the 741 person so officially executing such bonds had remained in office 742 until the delivery of the same to the purchaser or had been in 743 office on the date such bonds may bear.
- 744 (11) The authority has the discretion to advance or borrow 745 funds needed to satisfy any short-term cash flow demands or

deficiencies or to cover start-up costs until such time as
sufficient bonds, assets and revenues have been secured to satisfy
the needs of the authority.

749 SECTION 12. (1)Refunding bonds. The authority may, by 750 resolution adopted by its board of directors, issue refunding 751 bonds for the purpose of paying any of its bonds at or prior to 752 maturity or upon acceleration or redemption. Refunding bonds may 753 be issued at such time prior to the maturity or redemption of the 754 refunded bonds as the board of directors deems to be in the public 755 interest, without an election on the question of the issuance 756 thereof. The refunding bonds may be issued in sufficient amounts 757 to pay or provide the principal of the bonds being refunded, 758 together with any redemption premium thereon, any interest accrued 759 or to accrue to the date of payment of such bonds, the expenses of 760 issue of the refunding bonds, the expenses of redeeming the bonds 761 being refunded, and such reserves for debt service or other 762 capital or current expenses from the proceeds of such refunding 763 bonds as may be required by the resolution, trust indenture or 764 other security instruments. The issue of refunding bonds, the 765 maturities and other details thereof, the security therefor, the 766 rights of the holders and the rights, duties and obligations of 767 the authority in respect of the same shall be governed by the 768 provisions of this act relating to the issue of bonds other than 769 refunding bonds insofar as the same may be applicable. Any such 770 refunding may be affected, whether the obligations to be refunded

shall have then matured or shall thereafter mature, either by the exchange of the refunding bonds for the obligations to be refunded thereby with the consent of the holders of the obligations so to be refunded, or by sale of the refunding bonds and the application of the proceeds thereof to the payment of the obligations proposed to be refunded thereby, and regardless of whether the obligations proposed to be refunded shall be payable on the same date or different dates or shall be due serially or otherwise.

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

section 13. All bonds (other than refunding bonds, interim notes and certificates of indebtedness, which may be validated) issued pursuant to this act shall be validated as now provided by law in Sections 31-13-1 through 31-13-11, Mississippi Code of 1972; however, notice of such validation proceedings shall be addressed to the citizens of the respective public agencies (a) which have contracted with the authority pursuant to this act; and (b) whose contracts and the payments to be made by the public agencies thereunder constitute security for the bonds of such authority proposed to be issued, and that such notice shall be published at least once in a newspaper or newspapers having a general circulation within the geographical boundaries of each of the contracting public agencies to whose citizens the notice is

796 addressed. Such validation proceedings shall be instituted in any 797 chancery courts within the boundaries of the authority. 798 validity of the bonds so validated and of the contracts and 799 payments to be made by the public agencies thereunder constituting 800 security for the bonds shall be forever conclusive against the 801 authority and the public agencies which are parties to said 802 contracts; and the validity of said bonds and said contracts and 803 the payments to be made thereunder shall never be called in 804 question in any court in this state.

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

- 814 **SECTION 15.** In connection with the issuance of its bonds 815 pursuant to this act the authority shall have power to:
- 816 (a) Covenant as to the use of any or all of its 817 property, real or personal;
- 818 (b) Redeem the bonds, to covenant for their redemption 819 and to provide the terms and conditions thereof;

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

- (d) Covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds shall become or may be declared due before maturity, as to the terms and conditions upon which such declaration and its consequences may be waived and as to the consequences of default and the remedies of the registered owners of the bonds;
- (e) Covenant as to the mortgage or pledge of or the grant of a security interest in any real or personal property and all or any part of the revenues from any designated system or any part thereof or any revenue-producing contract or contracts made by such authority with any person to secure the payment of bonds, subject to such agreements with the registered owners of bonds as may then exist;
- (f) Covenant as to the custody, collection, securing, investment and payment of any revenues, assets, monies, funds or property with respect to which such authority may have any rights or interest;

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844		(g)	Сс	venant	as	to t	he p	purpose	es to	o which	n the	e procee	ds
845	from the	sale	of	any bo	nds	then	or	therea	afte	r to be	e iss	sued may	be
846	applied,	and '	the	pledge	of	such	pro	oceeds	to s	secure	the	payment	of
847	the bonds	s;											

- (h) Covenant as to the limitations on the issuance of any additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds;
- 851 (i) Covenant as to the rank or priority of any bonds 852 with respect to any lien or security;
- (j) Covenant as to the procedure by which the terms of
  any contract with or for the benefit of the registered owners of
  bonds may be amended or abrogated, the amount of bonds the
  registered owners of which must consent thereto, and the manner in
  which such consent may be given;
- (k) Covenant as to the custody of any of its properties or investments, the safekeeping thereof, the insurance to be carried thereon, and the use and disposition of insurance proceeds;
- (1) Covenant as to the vesting in a trustee or 863 trustees, within or outside the state, of such properties, rights, 864 powers and duties in trust as the authority may determine;
- 865 (m) Covenant as to the appointing and providing for the 866 duties and obligations of a paying agent or paying agents or other 867 fiduciaries within or outside the state;

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

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

SECTION 16. The authority may, in any authorizing resolution of the board of directors, trust indenture or other security instrument relating to its bonds issued pursuant to this act, provide for the appointment of a trustee who shall have such powers as are provided therein to represent the registered owners of any issue of bonds in the enforcement or protection of their rights under any such resolution, trust indenture or security instrument. The authority may also provide in such resolution, trust indenture or other security instrument that the trustee, or in the event that the trustee so appointed shall fail or decline to so protect and enforce such registered owners' rights then such

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18/HR31/R2166 PAGE 36 (OM\JAB) 893 percentage of registered owners as shall be set forth in, and 894 subject to the provisions of, such resolution, trust indenture or 895 other security interest, may petition the court of proper 896 jurisdiction for the appointment of a receiver of the authority's 897 systems, the revenues of which are pledged to the payment of the 898 principal of and interest on the bonds of such registered owners. 899 Such receiver may exercise any power as may be granted in any such 900 resolution, trust indenture or security instrument to enter upon 901 and take possession of, acquire, construct or reconstruct or 902 operate and maintain such system, fix charges for services of the system and enforce collection thereof, and receive all revenues 903 904 derived from such system or facilities and perform the public 905 duties and carry out the contracts and obligations of such 906 authority in the same manner as such authority itself might do, 907 all under the direction of such court.

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

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

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

owners of any bonds of any authority that so long as the bonds are outstanding and unpaid the state will not limit or alter the rights and powers of any authority under this act to conduct the activities referred to herein in any way pertinent to the interests of the bondholders, including, without limitation, such authority's right to charge and collect rates, fees, assessments and charges and to fulfill the terms of any covenants made with the registered owners of the bonds, or in any other way impair the rights and remedies of the registered owners of the bonds, unless provision for full payment of such bonds, by escrow or otherwise, has been made pursuant to the terms of the bonds or the

942 resolution, trust indenture or security interest securing the 943 bonds.

944 SECTION 20. For the purposes of satisfying any temporary cash flow demands and deficiencies, and to maintain a working 945 946 balance for the authority, the county, municipalities or public 947 agencies within the geographic boundaries of the authority, or other persons, subject to their lawful authority to do so, are 948 949 authorized to advance, at any time, such funds which, in its 950 discretion, are necessary, or borrow such funds by issuance of notes, for initial capital contribution and to cover start-up 951 952 costs until such times as sufficient bonds, assets and revenues 953 have been secured to satisfy the needs of the authority for its 954 management, operation and formation. To this end, the county, 955 municipality, public agency or person, subject to their lawful 956 authority to do so, shall advance such funds, or borrow such funds 957 by issuance of notes, under such terms and conditions as may be 958 provided by resolution of the governing body, or other persons as 959 defined in this act, subject to their lawful authority to do so, 960 except that each such resolution shall state:

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

borrowed.

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967	(d) In addition, the governing body, or other persons
968	as defined in this act, subject to their lawful authority to do
969	so, may arrange for lines of credit with any bank, firm or person
970	for the purpose of providing an additional source of repayment for
971	notes issued pursuant to this section. Amounts drawn on a line of
972	credit may be evidenced by negotiable or nonnegotiable notes or
973	other evidences of indebtedness and contain such terms and
974	conditions as the governing body, or other persons as defined in
975	this act, subject to their lawful authority to do so, may
976	authorize in the resolution approving the same.

- (e) The governing body of the county, municipalities or other persons as defined in this act, subject to their lawful authority to do so, may authorize the repayment of such advances, notes, lines of credit and other debt incurred under this section, along with all costs associated with the same, including, but not limited to, rating agency fees, printing costs, legal fees, bank or trust company fees, line of credit fees and other charges to be reimbursed by the authority under such terms and conditions as are reasonable and are to be provided for by resolution of the governing body, or terms agreed upon with other persons as defined in this act, subject to their lawful authority to do so.
- 988 (f) In addition, the governing body of the county,
  989 municipality or public agency may lease or donate office space and
  990 equipment to the authority under such terms and conditions as are

991	reasonable	e and	are	to be	provided	d for	bу	resolution	n of	the
992	governing	body,	or	terms	agreed 1	upon :	by t	the author:	ity.	

993 SECTION 21. If any clause, sentence, paragraph, section or 994 part of the provisions of this act shall be adjudged by any court 995 of competent jurisdiction to be invalid, such judgment shall not 996 affect, impair or invalidate the remainder thereof directly 997 involved in the controversy in which such judgment shall have been 998 rendered.

999 **SECTION 22.** This act shall take effect and be in force from 1000 and after its passage.