

By: Representatives Baker, Calhoun, Powell,
Rogers (61st), Weathersby

To: Local and Private
Legislation

HOUSE BILL NO. 1696

1 AN ACT TO AMEND CHAPTER 977, LOCAL AND PRIVATE LAWS OF 1994,
2 AS LAST AMENDED BY CHAPTER 955, LOCAL AND PRIVATE LAWS OF 2007, TO
3 PROVIDE AN EFFICIENT AND EFFECTIVE PROCEDURE FOR PAYMENTS TO BE
4 MADE BY PUBLIC AGENCY MEMBERS TO PAY PRINCIPAL AND INTEREST ON
5 BONDS ISSUED BY THE WEST RANKIN UTILITY AUTHORITY; TO REQUIRE THAT
6 THE PAYMENTS BE USED EXCLUSIVELY FOR THE PAYMENT OF SUCH BONDS AND
7 BE PLEDGED EXCLUSIVELY TO SECURE THE BONDS; TO PROHIBIT SUCH
8 MEMBERS FROM ENTERING INTO CONTRACTS WITH THE AUTHORITY THAT
9 IMPAIRS THE AUTHORITY'S ABILITY TO REPAY CERTAIN LOANS; AND FOR
10 RELATED PURPOSES.

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

12 **SECTION 1.** Chapter 977, Local and Private Laws of 1994, as
13 amended by Chapter 987, Local and Private Laws of 2000, as amended
14 by Chapter 1004, Local and Private Laws of 2004, as amended by
15 Chapter 903, Local and Private Laws of 2005, as amended by Chapter
16 955, Local and Private Laws of 2007, is amended as follows:

17 Section 1. This act is for the purpose of authorizing a
18 cooperative effort by the member agencies and any and all public
19 agencies situated in whole or in part within Rankin County,
20 including any existing municipality and other eligible
21 municipalities or public agencies, for the acquisition,
22 construction and operation of one or more systems for the



23 collection, transportation, treatment and disposal of wastewater;
24 for the treatment and distribution of potable water; and for the
25 collection, transportation and disposal of nonhazardous solid
26 waste; all of the foregoing, including sewerage systems, sewage
27 disposal systems, waterworks and water supply systems, solid waste
28 collection, transportation and disposal systems, in order to
29 ensure an adequate supply of water for domestic, commercial and
30 industrial use and to prevent and control the pollution of the
31 lands and waters in this state by the creation of a West Rankin
32 Utility Authority. This act may be cited as the "West Rankin
33 Utility Authority Act."

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

36 (a) "Act" means the West Rankin Utility Authority Act,
37 as amended from time to time.

38 (b) "Authority" means the West Rankin Utility
39 Authority.

40 (c) "Board of directors" means the board of directors
41 of the authority.

42 (d) "Bonds" means revenue bonds, interim notes having a
43 maturity of three (3) years or less, and other certificates of
44 indebtedness of the authority issued under the provisions of this
45 act.

46 (e) "Costs of the project" means:



47 (i) All costs of site preparation and other
48 start-up costs;

49 (ii) All costs of construction;

50 (iii) All costs of real and personal property
51 required for the purposes of the project and facilities related
52 thereto, including land and any rights or undivided interest
53 therein, easements, franchises, fees, utility charges, permits,
54 approvals, licenses and certificates and the securing of any
55 permits, approvals, licenses and certificates and all machinery
56 and equipment, including motor vehicles, which are used for
57 project functions;

58 (iv) All costs of engineering, geotechnical,
59 architectural and legal services;

60 (v) All costs of plans and specifications and all
61 expenses necessary or incident to determining the feasibility or
62 practicability of the project;

63 (vi) Administrative expenses; and

64 (vii) Any other expenses as may be necessary or
65 incidental to the project financing.

66 (f) "Ditch" means any branch or lateral drain, tile
67 drain, levee, sluiceway, watercourse, floodgate and any other
68 construction work fund necessary for the reclamation of wet and
69 overflowed lands.



70 (g) "Facilities" means any structure, building, ditch,
71 pipe, channel, improvement, land or other real or personal
72 property used or useful in a system under this act.

73 (h) "Member agencies" means the members of the
74 authority which include the City of Brandon, the City of Flowood,
75 the City of Pearl, the City of Richland, the Pearl River Valley
76 Water Supply District, the Jackson Municipal Airport Authority,
77 the Mississippi Department of Mental Health and any public agency
78 which is located in whole or in part within Rankin County and
79 elects to become a constituent member of the West Rankin Utility
80 Authority upon its organization or which subsequently elects to
81 become a member of the West Rankin Utility Authority and which is
82 admitted to the authority by affirmative vote of the board of
83 directors of such authority, in accordance with the provisions of
84 Section 3(2) of this act.

85 (i) "Metropolitan area" means any area served by a
86 member agency.

87 (j) "Metropolitan area plan" means a comprehensive plan
88 for a sewage disposal system, water distribution system and solid
89 waste transportation, collection and disposal system within the
90 metropolitan area, consistent with standards established pursuant
91 to applicable federal and state law.

92 (k) "Metropolitan authority" means the authority.

93 (l) "Municipality" means any incorporated city or town
94 of the State of Mississippi, whether operating under general law



95 or under special charter, lying wholly or partly within the
96 metropolitan area.

97 (m) "Person" means and includes the State of
98 Mississippi, a municipality as defined herein, any public agency
99 as defined herein or any other city, town or political subdivision
100 or governmental agency of the State of Mississippi or of the
101 United States of America, or any private utility, individual,
102 copartnership, association, firm, trust, estate or any other
103 entity whatsoever.

104 (n) The terms "pollution" and "waters of the state"
105 shall have meanings as set forth in the Mississippi Air and Water
106 Pollution Control Law, as now or hereafter amended, appearing as
107 Sections 49-17-1 through 49-17-70, Mississippi Code of 1972.

108 (o) "Public agency" means any municipality (including
109 the City of Brandon, the City of Flowood, the City of Richland and
110 the City of Pearl), lying wholly or partially within Rankin
111 County, the Jackson Municipal Airport Authority, the Mississippi
112 Department of Mental Health, the Pearl River Valley Water Supply
113 District, and any public utility district created pursuant to
114 Sections 19-5-151 through 19-5-257, Mississippi Code of 1972, or
115 any other state board of commission of the State of Mississippi
116 lying wholly or partially within Rankin County and having the
117 power to own and operate waterworks, water supply systems,
118 sewerage systems, treatment facilities, sewage disposal systems,



119 solid waste disposal or other facilities or systems for the
120 collection, transportation, treatment and disposal of waste.

121 (p) "Sewerage system" means pipelines or conduits,
122 canals, pumping stations and force mains, and all other
123 structures, devices, facilities and appliances appurtenant
124 thereto, used for collecting or conducting waste to an ultimate
125 point for treatment or disposal.

126 (q) "System" means any or all of the following:
127 sewerage system, waste disposal system and water supply system and
128 all vehicles, structures, devices, facilities and appliances used
129 for treatment or distribution of potable water or for collecting
130 or conducting waste, solid waste or sewage to an ultimate point
131 for treatment or disposal.

132 (r) "Treatment facilities" means any plant, disposal
133 field, lagoon, pumping station, constructing drainage ditch or
134 surface water intercepting ditch, canal, incinerator, area devoted
135 to sanitary landfills or other works not specifically mentioned
136 herein, installed for the purpose of treating, neutralizing,
137 stabilizing or disposing of wastewater, sludge or solid waste or
138 facilities to provide cooling water to collect, control and
139 dispose of waste heat.

140 (s) "Waste" means sewage, solid waste, industrial
141 waste, municipal waste, recreational waste and agricultural waste,
142 waste heat and any other waste that may cause impairment of the
143 quality of the waters in the state.



144 (t) "Waste disposal system" means a system for
145 disposing of waste, including, but not limited to, sewerage
146 systems and treatment facilities, and solid waste disposal
147 facilities, as such terms are defined herein.

148 (u) "Water supply system" means waterworks, pipelines,
149 conduits, pumping stations and all other structures, devices and
150 appliances appurtenant thereto, including land and right-of-way
151 thereto, for use for transporting water to a point of ultimate
152 use.

153 (v) "Waterworks" means all works, plants or other
154 facilities necessary for the purpose of collecting, storing,
155 treating and transporting water for domestic, municipal,
156 commercial, industrial, agricultural and manufacturing purposes,
157 including open channels.

158 Words of the masculine gender shall be deemed and construed
159 to include correlative words of the feminine and neuter genders.
160 Unless the context shall otherwise indicate, words and terms
161 herein defined shall be equally applicable to the plural as well
162 as the singular form of any such words and terms.

163 Section 3. (1) The metropolitan authority shall have the
164 power to sue and be sued, provided that the metropolitan authority
165 shall not be liable and shall be immune from suit at law or in
166 equity on account of any wrongful or tortious act or omission,
167 including libel, slander or defamation, by it, or any such act or
168 omission by any employee of the metropolitan authority, subject to



169 and in accordance with the provisions of Sections 11-46-1 through
170 11-46-19, Mississippi Code of 1972.

171 (2) If at any time any public agency within the metropolitan
172 area shall elect to become a member agency of the metropolitan
173 authority by a majority vote of the governing body of such public
174 agency, such public agency may be admitted as a member agency of
175 the metropolitan authority, upon the approval by a three-fifths
176 (3/5) affirmative vote of the total membership of the board of
177 directors of the metropolitan authority and by a concurrent
178 affirmative vote of directors representing sixty percent (60%) of
179 the total payments for use of the system of the metropolitan
180 authority during the preceding fiscal year.

181 Section 4. All powers of the metropolitan authority shall be
182 exercised by a board of directors to be selected and composed as
183 follows: The governing body of each member agency shall appoint
184 one (1) person to serve on the board of directors of the
185 metropolitan authority, each such director to serve at the
186 pleasure of the respective governing body.

187 The board of directors of the metropolitan authority shall
188 annually elect from its number a president and vice president of
189 the metropolitan authority and such other officers as, in the
190 judgment of the board, are necessary. The president shall be the
191 chief executive officer of the metropolitan authority and the
192 presiding officer of the board, and shall have the same right to
193 vote as any other director. The vice president shall perform all



194 duties and exercise all powers conferred by this act upon the
195 president when the president is absent or fails or declines to
196 act, except the president's right to vote. The board shall also
197 appoint a secretary and a treasurer who may or may not be members
198 of the board, and it may combine those officers. The treasurer
199 shall give bond in the sum of not less than Fifty Thousand Dollars
200 (\$50,000.00) as set by the board of directors, and each director
201 may be required to give bond in the sum of not less than Ten
202 Thousand Dollars (\$10,000.00), with sureties qualified to do
203 business in this state, and the premiums on the bonds shall be an
204 expense of the metropolitan authority. Each such bond shall be
205 payable to the State of Mississippi; the condition of each such
206 bond shall be that the treasurer or director will faithfully
207 perform all duties of his office and account for all money or
208 other assets which shall come into his custody as treasurer or
209 director of the metropolitan authority.

210 Except for the election or appointment of officers, all
211 business of the metropolitan authority shall be transacted by a
212 three-fifths (3/5) affirmative vote of the total membership of the
213 board of directors and, if the authority shall own or operate a
214 system, by a concurrent vote of directors representing sixty
215 percent (60%) of the total payments for use of the system of the
216 metropolitan authority during the preceding fiscal year. The
217 quorum for any meeting of the board of directors shall be
218 three-fifths (3/5) of the total membership of the board of



219 directors and, if the authority shall own or operate a system, the
220 presence of directors representing more than sixty percent (60%)
221 of the total payments for use of the system of the metropolitan
222 authority during the preceding fiscal year. Upon admission of a
223 new member agency, the authority and the new member agency are
224 each authorized to enter into agreements with the other setting
225 out the responsibilities and obligations of both the authority and
226 the member agency and setting forth the terms and conditions of
227 the business to be conducted between them.

228 Section 5. The metropolitan authority is authorized and
229 empowered to acquire, construct, improve, enlarge, extend, repair,
230 operate and maintain one or more systems and to make contracts
231 with any person in furtherance thereof; and to make contracts with
232 any public agency, under the terms of which the metropolitan
233 authority will collect, transport, treat and dispose of
234 wastewater; treat and distribute potable water; and collect,
235 transport and dispose of nonhazardous solid waste. The
236 metropolitan authority may also enter into contracts with any
237 person to design and construct any system, and thereafter
238 purchase, lease or sell, by installments over such terms as may be
239 deemed desirable, or otherwise, any such system. The metropolitan
240 authority is also authorized to enter into operating agreements
241 with any person, for such terms and upon such conditions as may be
242 deemed desirable, for the operation of any facilities or systems;
243 and the metropolitan authority may lease to or from any person,



244 for such term and upon such conditions as may be deemed desirable,
245 any facilities or systems. Any such contract may contain
246 provisions requiring any public agency or other person to regulate
247 the quality of water and the quality and strength of waste to be
248 handled by the system and may also provide that the metropolitan
249 authority shall have the right to use any streets, alleys and
250 public ways and places within the jurisdiction of a public agency
251 during the term of the contract. Any provision of this act to the
252 contrary notwithstanding, the metropolitan authority shall not
253 become the owner of any existing sewage disposal system unless all
254 municipalities or other public agencies currently utilizing such
255 system or any portion thereof are offered access to such sewage
256 disposal system.

257 Section 6. The metropolitan authority, through its board of
258 directors, in addition to any and all powers now or hereafter
259 granted to it, is hereby empowered:

260 (a) To develop and maintain long-range planning for
261 collection treatment and distribution of water and for the
262 collection, transportation, treatment and disposal of waste and
263 for pollution abatement.

264 (b) To adopt and issue a certificate of convenience and
265 necessity to use the power of eminent domain, including the right
266 of immediate possession, in the acquisition of real property.
267 Upon the adoption of a certificate of convenience and necessity,
268 which shall state the description of the real property needed to



269 be acquired by eminent domain, the authority shall transmit a copy
270 of the certificate to the Board of Supervisors of Rankin County,
271 the governing authorities of any public entity with the power of
272 eminent domain or any other entity with the power of eminent
273 domain. The board or entities may initiate proceedings under the
274 provisions of Title 11, Chapter 27, Mississippi Code of 1972, on
275 behalf of the authority to carry out the purposes set forth in the
276 certificate. The eminent domain proceeding thereby initiated
277 shall be conducted according to and governed by the provisions of
278 Title 11, Chapter 27, Mississippi Code of 1972.

279 (c) To acquire and to own, maintain, use, operate and
280 convey or otherwise dispose of any and all property of any kind,
281 real, personal or mixed, or any interest therein within or without
282 the boundaries of its designated metropolitan area necessary or
283 convenient to the exercise of the purposes of and the powers
284 granted by Section 21-27-7 and Sections 21-27-161 through
285 21-27-191, Mississippi Code of 1972, as amended, unless any of the
286 foregoing is otherwise prohibited under the State Constitution or
287 this act. The amount and character of interest in land, other
288 property, and easements thus to be acquired shall be determined by
289 the board of directors, and their determination shall be
290 conclusive and shall not be subject to attack in the absence of
291 manifold abuse of discretion or fraud on the part of such board in
292 making such determination. However,



293 (i) In acquiring lands, the metropolitan authority
294 shall not acquire minerals or royalties; provided that sand and
295 gravel shall not be considered as minerals within the meaning of
296 this section; and

297 (ii) No person or persons owning the drilling
298 rights or the right to share in production shall be prevented from
299 exploring, developing or producing oil or gas with necessary
300 rights-of-way for ingress and egress, pipelines and other means of
301 transporting interests on any land or interest thereon of the
302 metropolitan authority held or used for the purposes of this act;
303 but any such activities shall be under such reasonable regulations
304 by the board of directors as will adequately protect the systems
305 of the metropolitan authority contemplated by this act.

306 (d) To provide for the necessary relocation or
307 rerouting of roads and highways, railroad, telephone and telegraph
308 lines and properties, electric power lines, gas pipe lines and
309 related facilities, or to require the anchoring or other
310 protection of any of these, provided due compensation is first
311 paid to the owners thereof or agreement is had with such owners
312 regarding the payment of the cost of such relocation, and to
313 acquire easements or rights-of-way for such relocation or
314 rerouting and to convey the same to the owners of the property
315 being relocated or rerouted in connection with the purpose of this
316 act.



317 (e) To enter into contracts with any public agency,
318 including, but not limited to, contracts authorized by Section 7
319 of this act, in furtherance of any of the purposes authorized by
320 this act upon such consideration as the board of directors and
321 such public agency may agree. Any such contract may extend over
322 any period of time, notwithstanding any provision or rule of law
323 to the contrary, may be upon such terms as the parties thereto
324 shall agree, and may provide that it shall continue in effect
325 until bonds specified therein, refunding bonds issued in lieu of
326 such bonds, and all other obligations specified therein are paid
327 or terminated. Any such contract shall be binding upon the
328 parties thereto according to its terms.

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

334 (g) To employ staff and other personnel, including
335 attorneys, engineers and consultants. The board of directors may,
336 in its discretion, employ a general manager having the authority
337 to employ and fire employees of the metropolitan authority.

338 (h) To accept and utilize grants and other funds from
339 any source for systems.

340 (i) To establish and maintain rates and charges for the
341 use of the services of such systems, and from time to time to



342 adjust such rates, to the end that the revenues therefrom will be
343 sufficient at all times to pay the expenses of operating and
344 maintaining such systems and all of the metropolitan authority's
345 obligations under any contract or bond resolution with respect
346 thereto.

347 (j) To adopt rules and regulations necessary to carry
348 out the implementation of the metropolitan area plan and to assure
349 the payment by each participating public agency of its
350 proportionate share of system costs.

351 (k) To refuse to receive waste from any public agency
352 or subdivision thereof that does not comply with the provisions of
353 the metropolitan area plan applicable to the particular area
354 within which such public agency or subdivision thereof is located.

355 (l) To accept industrial waste for treatment and to
356 require the pretreatment of same when in the opinion of the
357 metropolitan authority such pretreatment is necessary.

358 (m) To adopt all necessary and reasonable rules and
359 regulations to carry out and effectuate any water supply, waste
360 treatment or waste disposal plan adopted for the metropolitan
361 area, as contractually authorized.

362 (n) So long as any indebtedness on any sewerage system,
363 treatment facilities and sewage disposal system of the
364 metropolitan authority remains outstanding, to require by contract
365 with a public agency or other person that all waste within the
366 metropolitan area be disposed of through sewerage systems,



367 treatment facilities and sewage disposal systems which comprise a
368 part of the metropolitan area plan, to the extent that the same
369 may be available, but no public agency shall be precluded from
370 constructing, operating and maintaining its own sewerage system
371 after the current indebtedness owing on the system as of the
372 effective date of this act is paid in full.

373 Section 7. (1) Any public agency may, pursuant to a duly
374 adopted resolution of the governing authority of such public
375 agency, enter into contracts with the metropolitan authority under
376 the terms of which the metropolitan authority will collect,
377 transport, treat and dispose of wastewater, treat and distribute
378 potable water; and collect, transport and dispose of nonhazardous
379 solid waste. Any public agency may also, pursuant to a duly
380 adopted resolution of the governing authority of such public
381 agency, enter into contracts with the metropolitan authority under
382 the terms of which the metropolitan authority will collect, store,
383 treat and distribute water for such public agency. Any public
384 agency may also enter into contracts with the metropolitan
385 authority for the metropolitan authority to purchase or sell, by
386 installments over such terms as may be deemed desirable, or
387 otherwise, any waterworks, water supply systems, waste collection,
388 transportation, sewage disposal or treatment facilities or
389 systems. Any public agency is also authorized to enter into
390 operating agreements with the metropolitan authority, for such
391 terms and upon such conditions as may be deemed desirable, for the



392 operation of waterworks, water supply systems, waste collection,
393 transportation, sewage disposal or treatment facilities or systems
394 by the metropolitan authority or by any person contracting with
395 the metropolitan authority to operate such systems; and any public
396 agency may lease to or from the metropolitan authority, for such
397 term and upon such conditions as may be deemed desirable, any
398 waterworks, water supply systems, waste collection,
399 transportation, treatment or sewage disposal or treatment
400 facilities or systems. Any such contract may contain provisions
401 requiring any public agency to regulate the quality of water and
402 the quality and strength of waste to be handled by the sewage
403 disposal system and may also provide that the metropolitan
404 authority shall have the right to use any streets, alleys and
405 public ways and places within the jurisdiction of a public agency
406 during the term of the contract for any of its systems. Such
407 contracts may obligate the public agency to make payments to the
408 metropolitan authority or to a trustee in amounts which shall be
409 sufficient to enable the metropolitan authority to defray the
410 expenses of administering, operating and maintaining its
411 waterworks, water supply system and sewage disposal system and
412 other systems, to pay interest and principal (whether at maturity
413 upon redemption or otherwise) on bonds of the metropolitan
414 authority issued pursuant to this act and to fund reserves for
415 debt service, for operation and maintenance and for renewals and
416 replacements, and to fulfill the requirements of any rate covenant



417 with respect to debt service coverage contained in any resolution,
418 trust indenture or other security agreement relating to the bonds
419 of the metropolitan authority issued pursuant to this act. Any
420 public agency shall have the power to enter into such contracts
421 with the metropolitan authority as in the discretion of the
422 governing authorities thereof would be in the best interest of
423 such 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 provided by law.
427 Any such contract may provide for the sale or lease to or use of
428 by the metropolitan authority of any system or any part thereof of
429 the public agency; may provide that such metropolitan authority
430 shall operate any system or any part thereof of the public agency;
431 may provide that any public agency shall have the right to
432 continued use and/or priority use of any of its system or any part
433 thereof during the useful life thereof upon payment of reasonable
434 charges therefor; may contain provisions to assure equitable
435 treatment of public agencies who contract with the metropolitan
436 authority pursuant to this act; and may contain such other
437 provisions and requirements as the parties thereto may determine
438 to be appropriate or necessary. Such contracts may extend over
439 any period of time, notwithstanding any provisions of law to the
440 contrary, and may extend beyond the life of the system or any part



441 thereof or the term of any bonds sold with respect to such
442 facilities or improvements thereto.

443 (2) 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 system or any part thereof, such
452 obligations shall be treated as expenses of operating such system.

453 (3) Contracts referred to in this section may also provide
454 for payments in the form of contributions to defray the cost of
455 any purpose set forth in the contracts and as advances for the
456 system or any part thereof subject to repayment by the
457 metropolitan authority. A public agency may make such
458 contributions or advances from its general fund or surplus fund or
459 from special assessments or from any monies legally available
460 therefor.

461 (4) Payments made or to be made to the metropolitan
462 authority by a public agency pursuant to a contract for a system
463 or any part thereof shall not be subject to approval or review by
464 the Mississippi Public Service Commission.



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

473 (6) No provision of this act shall be construed to prohibit
474 any public agency, otherwise permitted by law to issue bonds, from
475 issuing bonds in the manner provided by law for the construction,
476 renovation, repair or development of a system or any part thereof
477 owned or operated by such public agency.

478 Section 8. Whenever a public agency shall have executed a
479 contract pursuant to this act and the payments thereunder are to
480 be made either wholly or partly from the revenues of a system, of
481 a public agency or any part thereof or a combination of such
482 systems, the duty is hereby imposed on the public agency to
483 establish and maintain and from time to time to adjust the rates
484 charged by the public agency for the services of such system or
485 systems, such that the revenues therefrom together with any taxes
486 and special assessments levied in support thereof will be
487 sufficient at all times to pay: (a) the expense of operating and
488 maintaining such system or systems, including all of the public
489 agency's obligations to the metropolitan authority, its successors



490 or assigns under such contract; and (b) all of the public agency's
491 obligations under and in connection with revenue bonds theretofore
492 issued, or which may be issued thereafter and secured by the
493 revenues of such system or systems. Any such contract may require
494 the use of consulting engineers and financial experts to advise
495 the public agency whether and when such rates are to be adjusted.

496 Section 9. (1) The metropolitan authority shall have the
497 power and is hereby authorized, from time to time, to borrow money
498 and to issue revenue bonds in such principal amounts as the
499 metropolitan authority may determine to be necessary to provide
500 sufficient funds for achieving one or more of the purposes of this
501 act, including, without limiting the generality of the foregoing,
502 to defray all the costs of the project, the cost of the
503 acquisition, construction, improvement, repair or extension of a
504 system, or any part thereof, whether or not such facilities are
505 owned by the metropolitan authority, the payment of interest on
506 bonds of the metropolitan authority issued pursuant to this act,
507 establishment of reserves to secure such bonds and payment of the
508 interest thereon, expenses incident to the issuance of such bonds
509 and to the implementation of the metropolitan authority's system,
510 and all other expenditures of the metropolitan authority incident
511 to or necessary or convenient to carry out the purposes of this
512 act.

513 (2) Before issuing bonds (other than interim notes or
514 refunding bonds as provided in Section 10 of this act) hereunder,



515 the board of directors of the metropolitan authority shall first
516 hold a public hearing with due notice of the time, date and place
517 of the hearing published in a newspaper of general circulation in
518 the metropolitan area * * *. The board of directors shall adopt a
519 resolution declaring its intention to issue such bonds and stating
520 the maximum principal amount of bonds proposed to be issued, a
521 general generic description of the proposed improvements and the
522 proposed location thereof, and the date, time and place at which
523 the board of directors proposes to take further action with
524 respect to the issuance of such bonds. The board of directors
525 shall then cause the resolution of intent to be published once a
526 week for at least three (3) consecutive weeks in at least one (1)
527 newspaper having a general circulation within the metropolitan
528 area. The first publication of such resolution shall be made not
529 less than twenty-one (21) days before the date fixed in such
530 resolution to direct the issuance of the bonds and the last
531 publication shall be made not more than seven (7) days before such
532 date.

533 (3) Following the public hearing, bonds of the metropolitan
534 authority may be issued pursuant to this act payable from and
535 secured by a pledge of all or any part of the revenues under one
536 or more contracts entered into pursuant to this act between the
537 metropolitan authority and one or more of its member public
538 agencies and from all or any part of the revenues derived from the
539 operation of any designated system or any part or parts thereof



540 and any other monies legally available and designated therefor, as
541 may be determined by the metropolitan authority, subject only to
542 any agreement with the purchasers of the bonds. Such bonds may be
543 further secured by a trust indenture between the metropolitan
544 authority and a corporate trustee, which may be any trust company
545 or bank having powers of a trust company without or within the
546 state.

547 (4) Bonds of the metropolitan authority issued pursuant to
548 this act shall be authorized by a resolution or resolutions
549 adopted by a three-fifths (3/5) affirmative vote of the total
550 membership of the board of directors of the metropolitan authority
551 and by a concurrent affirmative vote of directors representing
552 sixty percent (60%) of the total payments for use of the system of
553 the metropolitan authority during the preceding fiscal year. Such
554 bonds may be issued in series, and each series of such bonds shall
555 bear such date or dates, mature at such time or times, bear
556 interest at such rate or rates (not exceeding the maximum rate set
557 out in Section 75-17-103, Mississippi Code of 1972, as amended),
558 be in such denomination or denominations, be in such form, carry
559 such conversion privileges, have such rank or priority, be
560 executed in such manner and by such officers, be payable from such
561 sources in such medium of payment at such place or places within
562 or without the state, provided that one such place shall be within
563 the state, and be subject to such terms of redemption prior to



564 maturity, all as may be provided by resolution or resolutions of
565 the board of directors.

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

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

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



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

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

605 (10) (a) Payments of members made under contracts with the
606 authority for the purpose of paying premium, if any, principal and
607 interest on specific bonds issued by the authority under this
608 Section 9 shall be used solely for the purpose of paying premium,
609 if any, principal and interest on those specific bonds and for no
610 other purpose. Such payments shall be deposited in a segregated
611 bank account and the holders of the specific bonds to which the
612 payments relate shall have an exclusive first priority lien on



613 such payments and funds deposited in such account. Such payments
614 shall not be subject to lien or attachment by any creditor of the
615 authority and shall not be considered to be revenues of the
616 authority available for payment of operation and maintenance costs
617 or any other obligation of the authority.

618 (b) Members are prohibited from entering into contracts
619 with the authority that impair the ability of the authority to
620 repay Water Pollution Control Revolving Loans made by the
621 Mississippi Department of Environmental Quality to the authority
622 as provided in Section 49-17-87(3), Mississippi Code of 1972.

623 Section 10. The metropolitan authority may by resolution
624 adopted by its board of directors issue refunding bonds for the
625 purpose of paying any of its bonds at or prior to maturity or upon
626 acceleration or redemption. Refunding bonds may be issued at such
627 time prior to the maturity or redemption of the refunded bonds as
628 the board of directors deems to be in the public interest, without
629 an election on the question of the issuance thereof. The
630 refunding bonds may be issued in sufficient amounts to pay or
631 provide the principal of the bonds being refunded, together with
632 any redemption premium thereon, any interest accrued or to accrue
633 to the date of payment of such bonds, the expenses of issue of the
634 refunding bonds, the expenses of redeeming the bonds being
635 refunded, and such reserves for debt service or other capital or
636 current expenses from the proceeds of such refunding bonds as may
637 be required by the resolution, trust indenture or other security



638 instruments. The issue of refunding bonds, the maturities and
639 other details thereof, the security therefor, the rights of the
640 holders and the rights, duties and obligations of the metropolitan
641 authority in respect of the same shall be governed by the
642 provisions of this act relating to the issue of bonds other than
643 refunding bonds insofar as the same may be applicable. Any such
644 refunding may be effected, whether the obligations to be refunded
645 shall have then matured or shall thereafter mature, either by the
646 exchange of the refunding bonds for the obligations to be refunded
647 thereby with the consent of the holders of the obligations so to
648 be refunded, or by sale of the refunding bonds and the application
649 of the proceeds thereof to the payment of the obligations proposed
650 to be refunded thereby, and regardless of whether the obligations
651 proposed to be refunded shall be payable on the same date or
652 different dates or shall be due serially or otherwise.

653 Section 11. All bonds (other than refunding bonds, interim
654 notes and certificates of indebtedness, which may be validated)
655 issued pursuant to this act shall be validated as now provided by
656 law in Sections 31-13-1 through 31-13-11, Mississippi Code of
657 1972, as amended from time to time; however, notice of such
658 validation proceedings shall be addressed to the citizens of the
659 State of Mississippi and the citizens of the respective member
660 public agencies (a) which have contracted with the metropolitan
661 authority pursuant to this act, and (b) whose contracts and the
662 payments to be made by the public agencies thereunder constitute



663 security for the bonds of the metropolitan authority proposed to
664 be issued, and that such notice shall be published at least once
665 in a newspaper having a general circulation within the
666 metropolitan area. Such validation proceedings shall be
667 instituted in the Chancery Court of Rankin County. The validity
668 of the bonds so validated and of the contracts and payments to be
669 made by the public agencies thereunder constituting security for
670 the bonds shall be forever conclusive against the metropolitan
671 authority and the public agencies which are parties to said
672 contracts; and the validity of said bonds and said contracts and
673 the payments to be made thereunder shall never be called in
674 question in any court in this state.

675 Section 12. Bonds issued under the provisions of this act
676 shall not be deemed to constitute, within the meaning of any
677 constitutional or statutory limitation, an indebtedness of the
678 metropolitan authority or any member agency thereof. Such bonds
679 shall not be secured by a pledge of the full faith and credit of
680 the State of Mississippi, the metropolitan authority or any member
681 agency thereof, but shall be payable solely from the revenues or
682 assets of the metropolitan authority pledged therefor. Each bond
683 issued under this act shall contain on the face thereof a
684 statement to the effect that the metropolitan authority shall not
685 be obligated to pay the same nor the interest thereon except from
686 the revenues or assets pledged therefor.



687 Section 13. The metropolitan authority shall have power in
688 connection with the issuance of its bonds to:

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

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

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

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

706 (e) Covenant as to the mortgage or pledge of or the
707 grant of a security interest in any real or personal property and
708 all or any part of the revenues from any designated system or any
709 part thereof or any revenue-producing contract or contracts made
710 by the metropolitan authority with any person to secure the



711 payment of bonds, subject to such agreements with the registered
712 owners of bonds as may then exist.

713 (f) Covenant as to the custody, collection, securing,
714 investment and payment of any revenues, assets, monies, funds or
715 property with respect to which the metropolitan authority may have
716 any rights or interest.

717 (g) Covenant as to the purposes to which the proceeds
718 from the sale of any bonds then or thereafter to be issued may be
719 applied, and the pledge of such proceeds to secure the payment of
720 the bonds.

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

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

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

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



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

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

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

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

756 Section 14. The metropolitan authority may, in any
757 authorizing resolution of the board of directors, trust indenture
758 or other security instrument relating to its bonds, provide for
759 the appointment of a trustee who shall have such powers as are



760 provided therein to represent the registered owners of any issue
761 of bonds in the enforcement or protection of their rights under
762 any such resolution, trust indenture or security instrument. The
763 metropolitan authority may also provide in such resolution, trust
764 indenture or other security instrument that the trustee, or in the
765 event that the trustee so appointed shall fail or decline to so
766 protect and enforce such registered owners' rights then such
767 percentage of registered owners as shall be set forth in, and
768 subject to the provisions of, such resolution, trust indenture or
769 other security interest, may petition the court of proper
770 jurisdiction for the appointment of a receiver of the waterworks,
771 water supply system or sewage disposal system the revenues of
772 which are pledged to the payment of the principal of and interest
773 on the bonds of such registered owners. Such receiver may
774 exercise any power as may be granted in any such resolution, trust
775 indenture or security instrument to enter upon and take possession
776 of, acquire, construct or reconstruct or operate and maintain such
777 system fix charges for services of the system and enforce
778 collection thereof, and receive all revenues derived from such
779 system or facilities and perform the public duties and carry out
780 the contracts and obligations of the metropolitan authority in the
781 same manner as the metropolitan authority itself might do, all
782 under the direction of such court.

783 Section 15. (1) The exercise of the powers granted by this
784 act will be in all respects for the benefit of the people of the



785 state, for their well-being and prosperity and for the improvement
786 of their social and economic conditions, and the metropolitan
787 authority shall not be required to pay any tax or assessment on
788 any property owned by the metropolitan authority under the
789 provisions of this act or upon the income therefrom; nor shall any
790 metropolitan authority be required to pay any recording fee or
791 transfer tax of any kind on account of instruments recorded by it
792 or on its behalf.

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

798 Section 16. All bonds issued under the provisions of this
799 act shall be legal investments for trustees, other fiduciaries,
800 savings banks, trust companies and insurance companies organized
801 under the laws of the State of Mississippi; and such bonds shall
802 be legal securities which may be deposited with and shall be
803 received by all public officers and bodies of the state and all
804 municipalities and other political subdivisions thereof for the
805 purpose of securing the deposit of public funds.

806 Section 17. The state hereby covenants with the registered
807 owners of any bonds of the metropolitan authority that so long as
808 the bonds are outstanding and unpaid the state will not limit or
809 alter the rights and powers of the metropolitan authority under



810 this act to conduct the activities referred to herein in any way
811 pertinent to the interests of the bondholders, including, without
812 limitation, the metropolitan authority's right to charge and
813 collect rates, fees and charges and to fulfill the terms of any
814 covenants made with the registered owners of the bonds, or in any
815 other way impair the rights and remedies of the registered owners
816 of the bonds, unless provision for full payment of such bonds, by
817 escrow or otherwise, has been made pursuant to the terms of the
818 bonds or the resolution, trust indenture or security interest
819 securing the bonds.

820 Section 18. The provisions of this act are cumulative of
821 other statutes now or hereafter enacted relating to the issuance
822 of bonds and systems; and to the design, construction, acquisition
823 or approval of facilities for such purposes, and any public agency
824 may exercise all presently held powers in the furtherance of this
825 act.

826 Section 19. If any clause, sentence, paragraph, section or
827 part of the provisions of this act shall be adjudged by any court
828 of competent jurisdiction to be invalid, such judgment shall not
829 affect, impair or invalidate the remainder thereof directly
830 involved in the controversy in which such judgment shall have been
831 rendered.

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

