

By: Representative McLean

To: Local and Private
Legislation

HOUSE BILL NO. 1436
(As Passed the House)

1 AN ACT TO AMEND CHAPTER 834, LOCAL AND PRIVATE LAWS OF 1988,
2 AS AMENDED BY CHAPTER 808, LOCAL AND PRIVATE LAWS OF 1990, AS
3 AMENDED BY CHAPTER 942, LOCAL AND PRIVATE LAWS OF 1997, TO
4 AUTHORIZE THE COMMISSIONERS OF THE CALEDONIA NATURAL GAS DISTRICT
5 TO ENTER INTO A CERTAIN AGREEMENT WITH THE MISSISSIPPI DEVELOPMENT
6 BANK; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Chapter 834, Local and Private Laws of 1988, as
9 amended by Chapter 808, Local and Private Laws of 1990, as amended
10 by Chapter 942, Local and Private Laws of 1997, is amended as
11 follows:

12 Section 1. The Caledonia Natural Gas District is hereby
13 created composed of the following described area:

14 "Beginning at the Northeast Corner of Lowndes County,
15 which is also on the Mississippi-Alabama State Line, in
16 Section 19, Township-15-South, Range 16-West, and proceed
17 South along the Mississippi-Alabama State Line
18 approximately 12-1/2 miles to the intersection with
19 Luxapalila Creek; run thence in a Westerly direction
20 along the tread of Luxapalila Creek as it progresses through



21 Sections 24, 25, 26, 27, 28, 19, 20, 21, 29, 30, and 31
22 of Township-17-South, Range 17-West, and through Sections 36
23 and 35 of Township-17-South, Range 18-West, to a Point
24 where it intersects with the South boundary of Section
25 35, Township-17-South, Range 18-West, Lowndes County,
26 Mississippi; run thence Westerly along the South boundary
27 of said Section 35, Township-17-South, Range 18-West, to
28 the West boundary of the East half of said Section 35,
29 thence North along said boundary of East half to the
30 South boundary of Section 26, Township-17-South, Range
31 18-West, then run West to the Southwest Corner of said
32 Section 26, thence run North 1-1/2 miles more or less to
33 the Northwest Corner of the Southwest Quarter of Section
34 23, Township-17-South, Range 18-West; thence run West along
35 the Southern boundary of the North half of Section 22,
36 Township-17-South, Range 18-West to the Southwest Corner
37 of the said North half; thence run North 2 miles more or
38 less to the Northwest Corner of the South half of Section
39 10, Township-17-South, Range 18-West; run thence West
40 along the South boundary of the North halves of Section 8
41 and 9 of Township-17-South, Range 18-West to the
42 Southwest Corner of the North half of Section 8; run
43 thence North along the West boundary of Sections 5 and 8,
44 Township-17-South, Range 18-West to the intersection with
45 the South boundary of the Columbus Air Force Base said



46 Point being at or near the Northwest Corner of Section 5,
47 Township-17-South, Range 18-West; run thence Easterly
48 along the South boundary of the Columbus Air Force Base
49 to the Southeast Corner of the Columbus Air Force Base
50 which is on the West right-of-way of Highway 45 at or
51 near the Northeast Corner of Section 4, Township-17-South,
52 Range 18-West; run thence North and West along the East
53 boundary of the said Columbus Air Force Base to a Point
54 where it intersects with the West boundary of the East
55 half of the East half of Section 33, Township-16-South,
56 Range 18-West; run thence North along the West boundary
57 of the East half of the East half of Sections 33, 28, 21,
58 and 16 of Township-16-South, Range 18-West, until said
59 boundary line intersects with the main channel of the
60 Buttahatchie River which is also the North boundary line
61 of Lowndes County, Mississippi; run thence Northeasterly
62 along the main channel of the Buttahatchie River to a
63 Point in Section 21, Township-15-South, Range 17-West
64 where the North boundary of Lowndes County leaves the
65 River channel; thence run Easterly along the North
66 boundary of Lowndes County through Sections 21, 22, 23, and
67 24 of Township-15-South, Range 17-West, and through Section
68 19, Township-15-South, Range 16-West, to the POINT OF
69 BEGINNING."



70 Section 2. The Caledonia Natural Gas District shall be and
71 is hereby declared to be a valid political subdivision of the
72 State of Mississippi, with the power to sue and be sued and to
73 contract and be contracted with.

74 Section 3. It is hereby found and declared that the object
75 and purpose of creating the district is to provide natural gas
76 service to the residents of the aforesaid area and to provide ways
77 and means to carry out and accomplish that purpose, thereby
78 benefiting and making more valuable the lands in the district and
79 preserving and promoting the health, safety and convenience of the
80 residents thereof. In order to carry out and render effective
81 that object and purpose, the courts of this state shall construe
82 this act as an exercise by the Legislature of all the power
83 appertaining to it, necessary for the benefit of the health,
84 safety and convenience of the residents of the district; and the
85 necessity in the public interest of the state at large for the
86 provision herein enacted is hereby declared as a matter of
87 legislative determination. All the terms and provisions of this
88 act are to be liberally construed to effectuate the purposes
89 herein set forth, and all powers required to accomplish the
90 purposes of this act are hereby granted and conferred, including
91 the power to employ engineers and attorneys at such reasonable
92 compensation as the board of commissioners shall determine.

93 Section 4. (1) From and after April 26, 1988, and until the
94 effective date of House Bill No. 1869, 1997 Regular Session, the



95 effective date of this act, the powers of the Caledonia Natural
96 Gas District shall be vested in and exercised by a board of
97 commissioners consisting of the Mayor of the Town of Caledonia and
98 four (4) residents of the district. The Governor shall appoint
99 the four (4) residents to an interim board, the term of which
100 shall expire upon completion of the construction of the district's
101 natural gas transmission and distribution system and the election
102 of such resident members to a successor board as provided in this
103 subsection.

104 Promptly upon the commencement of natural gas service by the
105 district to not less than one hundred (100) individually billed
106 users, the commissioners shall give notice to each user of an
107 initial election to be held at a time not less than thirty (30)
108 days nor more than sixty (60) days from such date. The notice
109 shall state the time, place, and manner in which the users may
110 vote upon the selection of the resident members of the board to
111 terms of one (1), two (2), three (3) and four (4) years by ballot
112 of all users of the district. Such election shall be held in a
113 manner and according to procedures to be established by rules and
114 regulations adopted by the board prior to the giving of notice of
115 such election, and a printed copy of such rules and regulations
116 shall accompany the notice to be forwarded by regular mail to the
117 users.

118 Rules and regulations for the conduct of the election shall
119 provide for a method of nomination of commissioners, notice of



120 such nominations to be provided to users not less than thirty (30)
121 days prior to the date upon which the election is to be held,
122 along with a method of balloting by mail as well as personal
123 attendance at the time and place of election, a method of
124 balloting by proxy vote, and a method of making additional
125 nominations by users in addition to any nominations proposed by
126 the board of commissioners. The time of the election shall be
127 fixed between the hours of 10:00 a.m. and 6:00 p.m. on a day of
128 the week other than Sunday.

129 In this and all succeeding elections, each user of the
130 district shall have one (1) vote; provided that when a billing is
131 made to more than one (1) person at a single location, each such
132 person shall be limited to casting a pro rata share of the one (1)
133 vote to which the billing location is entitled.

134 (2) From and after the effective date of House Bill No.
135 1869, 1997 Regular Session, the powers of the Caledonia Natural
136 Gas District shall be vested in and exercised by a board of
137 commissioners consisting of five (5) residents of the district.
138 The term of office of the four (4) resident members of the board
139 who are in office on the effective date of House Bill No. 1869,
140 1997 Regular Session, shall continue uninterrupted until such
141 terms are scheduled to expire in accordance with subsection (1) of
142 this section. At the next regularly scheduled election of
143 commissioners following the effective date of House Bill No. 1869,
144 1997 Regular Session, the users of the district shall elect, in



145 the same manner that all other commissioners are elected, a fifth
146 resident of the district to serve as a commissioner. However,
147 until such time that the fifth commissioner is duly elected and
148 takes office, an interim commissioner shall be appointed to serve
149 by the four (4) resident members of the board.

150 (3) Subsequent to the initial election, there shall be held
151 an election annually on a date and in a manner substantially
152 conforming to the initial election, except that in each annual
153 election following the initial election, all commissioners shall
154 be elected to terms of three (3) years.

155 (4) Vacancies in the office of commissioner during the
156 interim period by an appointee of the Governor shall be filled by
157 appointment of the Governor and, following the holding of the
158 initial election, shall be filled for the unexpired term by the
159 remaining commissioners.

160 (5) Each commissioner shall be entitled to receive
161 reasonable salary and compensation for the performance of his
162 duties as commissioner, the amount of such salary and compensation
163 to be fixed by resolution duly adopted and entered on the minutes
164 of the commission.

165 The Caledonia Natural Gas District is hereby authorized to
166 pay the commissioners per diem and travel expenses in an amount as
167 determined and approved by the board of commissioners, and the
168 district is also authorized to implement a health care insurance



169 program for the commissioners in an appropriate amount as
170 determined and approved by the board of commissioners.

171 Section 5. The board shall have the power to make such rules
172 and regulations as it deems necessary to the operation of the
173 district and the subsequent election of commissioners and shall
174 possess and is hereby granted all necessary power and authority to
175 construct and acquire a natural gas transmission and distribution
176 system, including the authority to exercise the power of eminent
177 domain for the acquisition of property necessary to carry out its
178 powers and duties under this act, and to issue revenue bonds to
179 finance the construction thereof. The amount of revenue bonds
180 authorized to be issued shall not exceed an aggregate of Ten
181 Million Dollars (\$10,000,000.00). Except as otherwise provided in
182 this act, all powers with respect to natural gas transmission and
183 distribution systems granted to municipalities of this state by
184 Sections 21-27-11 through 21-27-69, Mississippi Code of 1972,
185 including the issuance of revenue bonds, are hereby conferred upon
186 and may be exercised within the district by the board as if the
187 system and financing thereof as provided herein were pursuant
188 to * * * such sections.

189 Section 6. The commission shall have full power and
190 authority to issue all bonds of the district, but before issuing
191 any bonds, the commission shall adopt a resolution declaring its
192 intention so to do, stating the amount of the bonds proposed to be
193 issued, and the date upon which the commission proposes to direct



194 the issuance of such bonds. Such resolution shall be published
195 once a week for at least three (3) consecutive weeks in at least
196 one (1) newspaper qualified under the provisions of Section
197 13-3-31, Mississippi Code of 1972, in the county in which the
198 district lies and having a general circulation in the district
199 which lies in such county. The first publication of such
200 resolution shall be made not less than twenty-one (21) days prior
201 to the date fixed in such resolution for the issuance of the
202 bonds, and the last publication shall be made not more than seven
203 (7) days prior to such date. If ten percent (10%) of the users of
204 the district shall file a written protest against the issuance of
205 such bonds on or before the date specified in such resolution,
206 then an election on the question of the issuance of such bonds
207 shall be called and held in the manner to be provided by the
208 commission by rules and regulations promulgated prior to the
209 adoption of the resolution declaring the commission's intention to
210 issue such bonds.

211 Section 7. For the purposes of Section 77-3-1, Mississippi
212 Code of 1972, the gas transmission and distribution system of the
213 district shall be deemed to be a municipal gas system not subject
214 to the jurisdiction of the Mississippi Public Service Commission,
215 except as provided by Section 77-3-1, Mississippi Code of 1972,
216 and in this act.



217 Section 8. Any revenue bonds issued under the provisions of
218 this act may be submitted to validation under the provisions of
219 Sections 31-13-1 through 31-13-11, Mississippi Code of 1972.

220 Section 9. The commission shall have full power and
221 authority to enter into an agreement with the Mississippi
222 Development Bank pursuant to Section 31-25-21(i), Mississippi Code
223 of 1972, for the purchase and resale of natural gas to any
224 nonresidential customer located in noncertificated and
225 nonfranchised areas in the State of Mississippi in order to
226 further the purposes of the district as prescribed in Section 3 of
227 this act. The agreement shall be for a term prescribed by the
228 Mississippi Development Bank without limitation but such term
229 shall not exceed thirty-one (31) years. Such agreement shall not
230 be subject to the jurisdiction of the Mississippi Public Service
231 Commission; provided, however, the commission shall give a
232 sixty-day prior written notice to the Mississippi Public Service
233 Commission of its intent to enter into any such agreement with the
234 Mississippi Development Bank.

235 Section * * * 10. If any provisions of this act shall be
236 held to be invalid by any court of competent jurisdiction, the
237 remainder of this act shall not be affected thereby.

238 * * *

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

