

By: Senator(s) Frazier

To: Local and Private

SENATE BILL NO. 3210

1 AN ACT TO AUTHORIZE THE CITIES OF CLINTON AND RAYMOND AND THE  
2 TOWN OF BOLTON TO CREATE THE CLINTON/RAYMOND/BOLTON WASTEWATER  
3 AUTHORITY; TO PROVIDE THAT THE AUTHORITY SHALL BE GOVERNED BY A  
4 BOARD OF DIRECTORS; TO PROVIDE FOR THE MEMBERSHIP OF THE BOARD OF  
5 DIRECTORS; TO PROVIDE FOR THE POWERS AND DUTIES OF THE AUTHORITY;  
6 TO AUTHORIZE THE AUTHORITY TO ACQUIRE, CONSTRUCT, MAINTAIN AND  
7 OPERATE WASTEWATER SYSTEMS WITHIN THE AUTHORITY'S AREA; TO  
8 AUTHORIZE WASTEWATER SERVICES PROVIDERS TO CONTRACT WITH THE  
9 AUTHORITY; TO AUTHORIZE THE AUTHORITY TO ISSUE REVENUE BONDS TO  
10 PROVIDE FUNDS NECESSARY TO ACHIEVE THE PURPOSES OF THIS ACT; TO  
11 AUTHORIZE THE AUTHORITY, WITH THE APPROVAL OF THE AFFECTED  
12 WASTEWATER SERVICES PROVIDER, TO ENTER INTO CONTRACTS WITH THE  
13 OWNERS OF PROPERTY TO PROVIDE IMPROVEMENTS NECESSARY TO PROVIDE  
14 WASTEWATER SERVICES; TO AUTHORIZE THE AUTHORITY TO ISSUE SPECIAL  
15 ASSESSMENT BONDS TO FINANCE SUCH IMPROVEMENTS; TO AUTHORIZE THE  
16 AUTHORITY TO LEVY AND COLLECT SPECIAL ASSESSMENTS AGAINST THE  
17 PROPERTY BENEFITED THEREBY TO RETIRE SUCH BONDS; AND FOR RELATED  
18 PURPOSES.

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

20 **SECTION 1.** This act shall be known and may be cited as the  
21 "Clinton/Raymond/Bolton Wastewater Authority Act."

22 **SECTION 2.** This act is for the purpose of authorizing a  
23 cooperative effort in an area situated within Hinds County,  
24 Mississippi, including the areas situated within the corporate  
25 boundaries of the Cities of Clinton and Raymond and the Town of  
26 Bolton, and any and all public agencies and public utilities



27 therein, for the acquisition, construction and operation of one or  
28 more systems for the collection, transportation, treatment and  
29 disposal of wastewater, including sewerage systems, sewage  
30 disposal systems and industrial wastewater, in order to prevent  
31 and control the pollution of the waters in this state by the  
32 creation of a Clinton/Raymond/Bolton Wastewater Authority.

33         **SECTION 3.** As used in this act, the following words and  
34 phrases shall have the meanings ascribed in this section, unless  
35 the context indicates otherwise. Words of the masculine gender  
36 shall be deemed and construed to include correlative words of the  
37 feminine and neuter genders. Unless the context shall otherwise  
38 indicate, words and terms herein defined shall be equally  
39 applicable to the plural as well as the singular form of any such  
40 words and terms.

41             (a) "Authority" means the Clinton/Raymond/Bolton  
42 Wastewater Authority.

43             (c) "Authority's area" means all areas served by the  
44 members of the authority.

45             (d) "Board of directors" means the board of directors  
46 of the authority.

47             (e) "Bonds" means revenue bonds, interim notes having a  
48 maturity of three (3) years or less, and other certificates of  
49 indebtedness of the authority issued under this act.

50             (f) "Costs of the project" means:



51                   (i) All costs of site preparation and other  
52 start-up costs;

53                   (ii) All costs of construction;

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

62                   (iv) All costs of engineering, geotechnical,  
63 architectural and legal services;

64                   (v) All costs of plans and specifications and all  
65 expenses necessary or incidental to determining the feasibility or  
66 practicability of the project;

67                   (vi) Administrative expenses; and

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

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 Clinton, the City of Raymond,  
75 the Town of Bolton, and any public agency or public utility which



76 is located in whole or in part within the authority's area and  
77 which elects to become a constituent member of the authority upon  
78 its organization or which subsequently elects to become a member  
79 of the authority and which is admitted to the authority by  
80 affirmative vote of the board of directors of such authority, in  
81 accordance with the provisions of Section 5 of this act. No  
82 retail customer shall be a member of the authority.

83 (i) "Member's area" means any area served by a member  
84 of the authority.

85 (j) "Municipality" means any incorporated city or town  
86 or eligible village of the State of Mississippi pursuant to  
87 Section 21-1-1 et seq., Mississippi Code of 1972, whether  
88 operating under general or under special charter, lying wholly or  
89 partly within the authority's area.

90 (k) "Person" includes the State of Mississippi, a  
91 municipality as defined herein, any public agency as defined  
92 herein or any other city, town or political subdivision or  
93 governmental agency of the State of Mississippi or of the United  
94 States of America, or any private utility, public utility,  
95 individual, copartnership, association, firm, trust, estate or any  
96 other entity whatsoever.

97 (l) "Public utility" includes any person, firm,  
98 corporation or association and any public body, political  
99 subdivision, agency or instrumentality thereof owning or owning  
100 and operating a public utility service described by Section



101 77-3-3(d) (iv), Mississippi Code of 1972. However, an incorporated  
102 municipality which owns or owns and operates such a described  
103 public utility service shall not be subject to the provisions of  
104 Section 77-3-3. The term "public utility" also includes the  
105 successors and assigns of any such public utility.

106 (m) "Point of delivery" means the point where control  
107 of wastewater passes from a provider to the authority. A "point  
108 of delivery" generally will be a metering station where flow from  
109 a provider's collection system is discharged into the authority's  
110 transportation (trunk main) system.

111 (n) "Pollution" and "waters of the state" shall have  
112 meanings as set forth in the Mississippi Air and Water Pollution  
113 Control Law, Sections 49-17-1 through 49-17-70, Mississippi Code  
114 of 1972.

115 (o) "Public agency" means any county, municipality  
116 (including the City of Clinton, the City of Raymond, and the Town  
117 of Bolton), lying wholly or partially within the authority's area,  
118 any state board or commission owning or operating properties  
119 within the authority's area, any public utility district created  
120 pursuant to Sections 19-5-151 through 19-5-257 or Sections  
121 51-9-101 through 51-9-163, Mississippi Code of 1972, or any other  
122 political subdivision of the State of Mississippi lying wholly or  
123 partially within the authority's area and having the power to own  
124 or operate sewage systems, treatment facilities, sewage disposal



125 systems or other facilities or systems for the collection,  
126 transportation, treatment or disposal of wastewater.

127 (p) "Sewerage system" means waste disposal systems,  
128 pipelines or conduits, canals, pumping stations and force mains,  
129 and all other structures, devices, facilities and appliances  
130 appurtenant thereto, used for collecting, conducting, transferring  
131 or transporting wastewater to an ultimate point for treatment or  
132 disposal.

133 (q) "System" means any or all of the following:  
134 sewerage systems, wastewater systems, waste disposal systems,  
135 treatment facilities and all vehicles, structures, devices,  
136 facilities and appliances used for treating, collecting or  
137 transporting sewage to an ultimate point for treatment or  
138 disposal.

139 (r) "Treatment facilities" means any plant, disposal  
140 field, lagoon, pumping station, constructing drainage ditch or  
141 surface water intercepting ditch, canal or other works not  
142 specifically mentioned herein, installed for the purpose of  
143 treating, neutralizing, stabilizing or disposing of wastewater, or  
144 facilities to provide cooling water to collect, control and  
145 dispose of waste heat.

146 (s) "Waste" means sewage, industrial waste, municipal  
147 waste, recreational waste and agricultural waste, waste heat and  
148 any other waste in wastewater that may cause impairment of the  
149 quality of the waters in the state.



150 (t) "Waste disposal system" means a system for  
151 disposing of wastewater, including, but not limited to, sewerage  
152 systems and treatment facilities, as such terms are defined  
153 herein.

154 (u) "Wastewater" means water being disposed of by any  
155 person and which is contaminated with waste or sewage, including  
156 residential, industrial, agricultural, municipal, recreational,  
157 waste heat and any other wastewater that may cause impairment of  
158 the quality of the waters of the state.

159 (v) "Wastewater services provider" or "provider" means  
160 a public agency that provides wastewater services or a public  
161 utility that holds a certificate of public convenience and  
162 necessity for wastewater services from the Mississippi Public  
163 Service Commission.

164 (w) "Wastewater system" means a system for collecting,  
165 transporting, transferring, treating and/or disposing of  
166 wastewater, including, but not limited to, collection systems,  
167 transportation systems or treatment facilities.

168 **SECTION 4.** (1) The City of Clinton, the City of Raymond and  
169 the Town of Bolton are authorized to file a joint petition, which  
170 may be joined in by any public agency or public utility lying  
171 wholly or partly within the authority's area, for the  
172 organization of the Clinton/Raymond/Bolton Wastewater Authority in  
173 this state under this act in the manner hereafter provided. When  
174 so organized, the authority shall be a political subdivision of



175 the State of Mississippi, and a body politic and corporate, and  
176 shall have the powers granted under this act.

177 (2) A petition for the organization of a wastewater  
178 authority shall be filed in the Chancery Court of Hinds County,  
179 which petition shall show the proposed wastewater authority's  
180 area, the proposed member municipalities, public agencies or  
181 public utilities and the necessity and desirability of the  
182 proposed wastewater authority and shall be signed by duly  
183 authorized elected public officials of the municipalities within  
184 the proposed wastewater authority's area joining in filing the  
185 petition and the authorized officers of any other public agency or  
186 public utility joining in the petition. Upon the filing of said  
187 petition, the chancery clerk shall promptly give written notice of  
188 the same to a chancellor of said chancery court who shall enter an  
189 order setting a date not less than thirty (30) days from the date  
190 of the order for a hearing on the organization of such wastewater  
191 authority. Any public agency not a petitioner and any public or  
192 private utility within the proposed authority's area shall be  
193 served with process as a party defendant to said petition. The  
194 chancery clerk shall cause a notice of such hearing addressed to  
195 the taxpayers and qualified electors of the proposed wastewater  
196 authority's area and all other persons interested to be published  
197 once a week for at least three (3) successive weeks in a newspaper  
198 or newspapers published in Hinds County having a general  
199 circulation within the proposed wastewater authority's area, which





200 notice shall state the date, place and time of such hearing, that  
201 a petition has been filed to organize a wastewater authority under  
202 this act, describe the proposed wastewater authority's area, and  
203 command that all such persons appear before the chancery court or  
204 the chancellor in vacation on the date and hour of the hearing to  
205 show cause, if any, why the proposed wastewater authority should  
206 not be organized and established as set forth in the petition.  
207 The first publication shall be at lease twenty-one (21) days  
208 before the date of such hearing and the last publication shall be  
209 not more than seven (7) days before the date of such hearing.

210 (3) The chancellor of said court may hear the petition at  
211 any term thereof, or fix a time to hear such petition at any time  
212 in vacation, and may determine all matters pertaining thereto, may  
213 adjourn the hearing from time to time, and may continue the case  
214 for want of sufficient notice or other good cause. If said  
215 petition shall prove defective in any manner, the petitioners,  
216 upon motion, shall be permitted to amend the same. At such  
217 hearing, or a day to which the same may be continued, the  
218 chancellor shall take evidence, and all interested persons  
219 objecting to the creation of such wastewater authority may appear  
220 and contest the same. If the chancellor shall find that a sound  
221 plan exists for the creation of a wastewater authority to  
222 accomplish the purposes set forth in this act and the same would  
223 meet a public necessity, he shall render a decree creating such  
224 wastewater authority under this act, specifying in the decree the



225 wastewater authority's area to be served thereby, which may be  
226 less than the area set out in the petition. The chancellor shall  
227 not include within the area of a proposed wastewater authority any  
228 area lying within the corporate limits of a municipality unless  
229 such municipality shall have either joined in the petition or  
230 filed a written consent to such inclusion adopted by its governing  
231 body. If the chancellor finds that the proposed wastewater  
232 authority should not be organized, then he shall dismiss the  
233 proceedings.

234       **SECTION 5.** (1) When so organized, the authority shall have  
235 the power to sue and be sued, provided that the authority shall  
236 not be liable and shall be immune from suit at law or in equity on  
237 account of any wrongful or tortious act or omission, including  
238 libel, slander or defamation, by it, or any such act or omission  
239 by any employee of the authority, subject to and in accordance  
240 with the provisions of Sections 11-46-1 through 11-46-19,  
241 Mississippi Code of 1972.

242       (2) If at any time any public agency or public utility  
243 within the authority's area shall elect to become a member agency  
244 of the authority by a majority vote of the governing body of such  
245 public agency or public utility, such public agency or public  
246 utility may be admitted as a member agency of the authority, upon  
247 approval by a three-fifths (3/5) affirmative vote of the total  
248 membership of the board of directors of the authority.



249           **SECTION 6.** All powers of the authority shall be exercised by  
250 a board of directors to be selected and composed as follows: The  
251 governing body of each member agency shall appoint one (1) person  
252 to serve on the board of directors for each thirty percent (30%)  
253 or less of the flow that member's flow represents of the total  
254 flow of the authority as determined on December 31 of the  
255 preceding year, each such director to serve at the pleasure of the  
256 respective governing body. At the time any additional public  
257 agency or public utility is added as a member of the authority and  
258 appoints one (1) person to serve on the board of directors, the  
259 member with fifty-one percent (51%) or more of the total flow of  
260 the authority as determined on December 31 of the preceding year  
261 shall, before the next board meeting, also appoint an additional  
262 person to serve on the board of directors.

263           The board of directors shall annually elect from its number a  
264 president and vice president of the authority and such other  
265 officers as in the board's judgment are necessary. The president  
266 shall be the chief executive officer of the authority and the  
267 presiding officer of the board and shall have the same right to  
268 vote as any other director. The vice president shall perform all  
269 duties and exercise all powers conferred by this act upon the  
270 president, except the president's right to vote, when the  
271 president is absent or fails or declines to act. The board shall  
272 also appoint a secretary and a treasurer who may or may not be  
273 members of the board, and it may combine those offices. The



274 treasurer shall give bond in the sum of not less than Fifty  
275 Thousand Dollars (\$50,000.00) as set by the board of directors,  
276 and each director may be required to give bond in the sum of not  
277 less than Ten Thousand Dollars (\$10,000.00), with sureties  
278 qualified to do business in this state, and the premiums on the  
279 bonds shall be an expense of the authority. Each such bond shall  
280 be payable to the State of Mississippi. The condition of each  
281 such bond shall be that the treasurer or director will faithfully  
282 perform all duties of his office and account for all money or  
283 other assets which shall come into his custody as treasurer or  
284 director of the authority.

285 All business of the authority shall be transacted by a  
286 three-fifths (3/5) affirmative vote of the total membership of the  
287 board of directors. The quorum for any meeting of the board of  
288 directors shall be three-fifths (3/5) of the total membership of  
289 the board of directors. Upon admission of a new member agency,  
290 the authority and the new member agency are each authorized to  
291 enter into agreements with the other setting out the  
292 responsibilities and obligations of both the authority and the  
293 member agency and setting forth the terms and conditions of the  
294 business to be conducted between them.

295 **SECTION 7.** The authority is authorized and empowered to  
296 acquire, construct, improve, enlarge, extend, repair, operate and  
297 maintain one or more systems and to make contracts with any person  
298 in furtherance thereof, and to make contracts with any public



299 agency or public utility, under the terms of which the authority  
300 will collect, transport, treat and/or dispose of wastewater. The  
301 authority may also enter into contracts with any person to design  
302 and construct any system, and thereafter purchase, lease or sell,  
303 by installments over such terms as may be deemed desirable, or  
304 otherwise, any such system. The authority is also authorized to  
305 enter into operating agreements with any person, for such terms  
306 and upon such conditions as may be deemed desirable, for the  
307 operation of any facilities or systems; and the authority may  
308 lease to or from any person, for such term and upon such  
309 conditions as may be deemed desirable, any facilities or systems.  
310 Any such contract may contain provisions requiring any public  
311 agency or public utility or other person to regulate the quality  
312 and strength of waste to be handled by the system and may also  
313 provide that the authority shall have the right to use any  
314 streets, alleys or public ways or places within the jurisdiction  
315 of a public agency or public utility during the term of the  
316 contract. Any provision of this act to the contrary  
317 notwithstanding, the authority shall not become the owner of any  
318 existing system unless all municipalities or other public agencies  
319 or public utilities currently utilizing such system or any portion  
320 thereof are offered access to such system.

321       **SECTION 8.** The authority, through its board of directors, in  
322 addition to any and all powers now or hereafter granted to it, is  
323 hereby empowered:



324 (a) To develop and maintain long-range planning for the  
325 collection, transportation, treatment and/or disposal of  
326 wastewater and for pollution abatement;

327 (b) To adopt and issue a certificate of convenience and  
328 necessity to use the power of eminent domain, including the right  
329 of immediate possession, in the acquisition of real property.  
330 Upon the adoption of a certificate of convenience and necessity,  
331 which shall state the description of the real property needed to  
332 be acquired by eminent domain, the authority shall transmit a copy  
333 of the certificate to the governing authorities of any public  
334 agency with the power of eminent domain or any other entity with  
335 the power of eminent domain. The public agency or other entity  
336 may initiate proceedings under the provisions of Title 11, Chapter  
337 27, Mississippi Code of 1972, on behalf of the authority to carry  
338 out the purposes set forth in the certificate. The eminent domain  
339 proceeding thereby initiated shall be conducted according to and  
340 governed by the provisions of Title 11, Chapter 27, Mississippi  
341 Code of 1972;

342 (c) To acquire and to own, maintain, use, operate and  
343 convey or otherwise dispose of any and all property of any kind,  
344 real, personal or mixed, or any interest therein within or without  
345 the boundaries of its designated area necessary or convenient to  
346 the exercise of the purposes of its powers with respect to the  
347 collection, transfer, transportation, treatment and/or disposal of  
348 wastewater, unless any of the foregoing is otherwise prohibited



349 under the State Constitution or this act. The amount and  
350 character of interest in land, other property, and easements thus  
351 to be acquired shall be determined by the board of directors, and  
352 its determination shall be conclusive and shall not be subject to  
353 attack in the absence of manifold abuse of discretion or fraud on  
354 the part of the board in making such determination. However:

355 (i) In acquiring lands, the authority shall not  
356 acquire minerals or royalties; however, sand and gravel shall not  
357 be considered minerals within the meaning of this section; and

358 (ii) No person owning the drilling rights or the  
359 right to share in production shall be prevented from exploring,  
360 developing or producing oil or gas with necessary rights-of-way  
361 for ingress and egress, pipelines and other means of transporting  
362 interests on any land or interest thereon of the authority held or  
363 used for the purposes of this act; however, any such activities  
364 shall be under such reasonable regulations by the board of  
365 directors as will adequately protect the systems of the authority  
366 contemplated by this act;

367 (d) To provide for the necessary relocation or  
368 rerouting of roads and highways, railroad, telephone and telegraph  
369 lines and properties, electric power lines, gas pipe lines and  
370 related facilities, or to require the anchoring or other  
371 protection of any of these, provided due compensation is first  
372 paid to the owners thereof or agreement is had with such owners  
373 regarding the payment of the cost of such relocation, and to



374 acquire easements or rights-of-way for such relocation or  
375 rerouting and to convey the same to the owners of the property  
376 being relocated or rerouted in connection with the purpose of this  
377 act;

378 (e) Unless otherwise prohibited under the State  
379 Constitution, state law or this act, to enter into contracts with  
380 any public agency or public utility, including, but not limited  
381 to, contracts authorized by Section 7 of this act, in furtherance  
382 of any of the purposes authorized by this act upon such  
383 consideration as the board of directors and such public agency or  
384 public utility may agree. Any such contract may extend over any  
385 period of time, notwithstanding any provision or rule of law to  
386 the contrary, may be upon such terms as the parties thereto shall  
387 agree, and may provide that it shall continue in effect until  
388 bonds specified therein, refunding bonds issued in lieu of such  
389 bonds, and all other obligations specified therein are paid or  
390 terminated. Any such contract shall be binding upon the parties  
391 thereto according to its terms;

392 (f) To make and enforce, and from time to time amend  
393 and repeal, bylaws and rules and regulations for the management of  
394 its business and affairs and for the construction, use,  
395 maintenance and operation of any systems under its management and  
396 control and any other of its properties;

397 (g) To employ staff and other personnel, including  
398 attorneys, engineers and consultants. The board of directors may,





399 in its discretion, employ a general manager having the authority  
400 to employ and fire employees of the authority;

401 (h) To accept and utilize grants and other funds from  
402 any source for systems;

403 (i) To establish and maintain rates and charges for the  
404 use of the services of such systems, and from time to time to  
405 adjust such rates, to the end that the revenues therefrom will be  
406 sufficient at all times to pay the expenses of operating and  
407 maintaining such systems and all of the authority's obligations  
408 under any contract or bond resolution with respect thereto;

409 (j) To adopt rules and regulations necessary to carry  
410 out the implementation of the systems in the authority's area and  
411 to assure the payment by each participating public agency or  
412 public utility of its proportionate share of system costs;

413 (k) To refuse to receive wastewater from any public  
414 agency or subdivision thereof or public utility that does not  
415 comply with the provisions of the authority's rules and  
416 regulations applicable to the particular area within which such  
417 public agency or subdivision thereof or public utility is located;

418 (l) To accept or reject industrial wastewater for  
419 treatment and to require the pretreatment of same when in the  
420 opinion of the authority such pretreatment is necessary;

421 (m) To adopt all necessary and reasonable rules and  
422 regulations to require or carry out and effectuate any systems in  
423 the authority's area, as contractually authorized; and



424 (n) So long as any indebtedness on any system of the  
425 authority remains outstanding, to require a public agency or  
426 public utility or other person that all wastewater within the  
427 authority's area be disposed of through the authority's system, to  
428 the extent that the same may be available; however, no public  
429 agency or public utility shall be precluded from constructing,  
430 operating and maintaining its own sewerage system after the  
431 current indebtedness owing on the system as of the effective date  
432 of this act is paid in full.

433 **SECTION 9.** (1) Any public agency or public utility may,  
434 pursuant to a duly adopted resolution of the governing authority  
435 of such public agency or public utility, enter into contracts with  
436 the authority under the terms of which the authority will collect,  
437 transport, treat and/or dispose of wastewater. Any public agency  
438 or public utility may also enter into contracts with the authority  
439 for the authority to purchase or sell, by installments over such  
440 terms as may be deemed desirable, any systems. Any public agency  
441 or public utility is also authorized to enter into operating  
442 agreements with the authority, for such terms and upon such  
443 conditions as may be deemed desirable, for the operation of  
444 systems by the authority or by any person contracting with the  
445 authority to operate such systems; and any public agency or public  
446 utility may lease to or from the authority, for such term and upon  
447 such conditions as may be deemed desirable, any systems. Any such  
448 contract may contain provisions requiring any public agency or



449 public utility to regulate the quality and strength of wastewater  
450 to be handled by the system and may also provide that the  
451 authority shall have the right to use any streets, alleys and  
452 public ways and places within the jurisdiction of a public agency  
453 during the term of the contract for any of its systems. Such  
454 contracts may obligate the public agency or public utility to make  
455 payments to the authority or to a trustee in amounts which shall  
456 be sufficient to enable the authority to defray the expenses of  
457 administering, operating and maintaining its systems, to pay  
458 interest and principal (whether at maturity upon redemption or  
459 otherwise) on bonds of the authority issued pursuant to this act  
460 and to fund reserves for debt service, for operation and  
461 maintenance and for renewals and replacements, and to fulfill the  
462 requirements of any rate covenant with respect to debt service  
463 coverage contained in any resolution, trust indenture or other  
464 security agreement relating to the bonds of the authority issued  
465 under this act. Any public agency or public utility shall have  
466 the power to enter into such contracts with the authority as, in  
467 the discretion of the governing authorities thereof, would be in  
468 the best interest of such public agency or public utility. Such  
469 contracts may include a pledge of the full faith and credit of  
470 such public agency or public utility and/or the avails of any  
471 special assessments made by such public agency or public utility  
472 against property receiving benefits, as now or hereafter provided  
473 by law. Any such contract may provide for the sale or lease to or



474 use of by the authority of any system or any part thereof of the  
475 public agency or public utility; may provide that the authority  
476 shall operate any system or any part thereof of the public agency  
477 or public utility; may provide that any public agency or public  
478 utility shall have the right to continued use and/or priority use  
479 of any of its system or any part thereof during the useful life  
480 thereof upon payment of reasonable charges therefor; may contain  
481 provisions to assure equitable treatment of public agencies or  
482 public utilities who contract with the authority pursuant to this  
483 act; and may contain such other provisions and requirements as the  
484 parties thereto may determine to be appropriate or necessary.

485 Such contracts may extend over any period of time, notwithstanding  
486 any provisions of law to the contrary, and may extend beyond the  
487 life of the system or any part thereof or the term of any bonds  
488 sold with respect to such facilities or improvements thereto.

489 (2) The obligations of a public agency or public utility  
490 arising under the terms of any contract referred to in this act,  
491 whether or not payable solely from a pledge of revenues, shall not  
492 be included within the indebtedness limitations of the public  
493 agency or public utility for purposes of any constitutional or  
494 statutory limitation or provision. To the extent provided in such  
495 contract, and to the extent such obligations of the public agency  
496 or public utility are payable wholly or in part from the revenues  
497 and other monies derived by the public agency or public utility



498 from the operation of its system or any part thereof, such  
499 obligations shall be treated as expenses of operating such system.

500 (3) Contracts referred to in this section may also provide  
501 for payments in the form of contributions to defray the cost of  
502 any purpose set forth in the contracts and as advances for the  
503 system or any part thereof subject to repayment by the authority.  
504 A public agency or public utility may make such contributions or  
505 advances from its general fund or surplus fund or from special  
506 assessments or from any monies legally available therefor.

507 (4) Payments made or to be made to the authority by a public  
508 agency pursuant to a contract for a system or any part thereof  
509 shall not be subject to approval or review by the Mississippi  
510 Public Service Commission.

511 (5) Subject to the terms of a contract referred to in this  
512 act, the authority is authorized to do and perform any and all  
513 acts or things necessary, convenient or desirable to carry out the  
514 purposes of such contracts, including the fixing, charging,  
515 collecting, maintaining and revising of rates, fees and other  
516 charges for the services rendered by any system operated or  
517 maintained by the authority, whether or not such system is owned  
518 by the authority.

519 (6) No provision of this act shall be construed to prohibit  
520 any public agency or public utility, otherwise permitted by law to  
521 issue bonds, from issuing bonds in the manner provided by law for  
522 the construction, renovation, repair or development of a system or



523 any part thereof owned or operated by such public agency or public  
524 utility.

525         **SECTION 10.** Whenever a public agency or public utility shall  
526 have executed a contract pursuant to this act and the payments  
527 thereunder are to be made either wholly or partly from the  
528 revenues of a system of a public agency or public utility or any  
529 part thereof, or a combination of such systems, the duty is hereby  
530 imposed on the public agency or public utility to establish and  
531 maintain and, from time to time, to adjust the rates charged by  
532 the public agency or public utility for the services of such  
533 system or systems, such that the revenues therefrom, together with  
534 any taxes and special assessments levied in support thereof, will  
535 be sufficient at all times to pay: (a) the expense of operating  
536 and maintaining such system or systems, including all of the  
537 public agency's or public utility's obligations to the authority,  
538 its successors or assigns under such contract; and (b) all of the  
539 public agency's or public utility's obligations in connection with  
540 revenue bonds issued, or which may be issued thereafter, and  
541 secured by the revenues of such system or systems. Any such  
542 contract may require the use of consulting engineers and financial  
543 experts to advise the public agency or public utility whether and  
544 when such rates are to be adjusted.

545         **SECTION 11.** (1) The authority shall have the power and is  
546 hereby authorized to borrow money and to issue revenue bonds in  
547 such principal amounts as the authority may determine to be



548 necessary to provide sufficient funds for achieving one or more of  
549 the purposes of this act, including, but not limited to, defraying  
550 the costs of the project, the cost of the acquisition,  
551 construction, improvement, repair or extension of a system, or any  
552 part thereof, whether or not such facilities are owned by the  
553 authority, paying interest on bonds of the authority issued under  
554 this act, establishing reserves to secure such bonds and payment  
555 of the interest thereon, expenses incident to the issuance of such  
556 bonds and to the implementation of the authority's system, and all  
557 other expenditures of the authority incident to or necessary or  
558 convenient to carry out the purposes of this act.

559 (2) Before issuing bonds (other than interim notes or  
560 refunding bonds as provided in this section) hereunder, the board  
561 of directors of the authority shall first hold a public hearing  
562 with due notice of the time, date and place of the hearing  
563 published in a newspaper of general circulation in the authority's  
564 area. The board of directors shall adopt a resolution declaring  
565 its intention to issue such bonds and stating the maximum  
566 principal amount of bonds proposed to be issued, a general  
567 description of the proposed improvements and the proposed location  
568 thereof, and the date, time and place at which the board of  
569 directors proposes to take further action with respect to the  
570 issuance of such bonds. The board of directors shall then cause  
571 the resolution of intent to be published once a week for at least  
572 three (3) consecutive weeks in at least one (1) newspaper having a



573 general circulation within the authority's area. The first  
574 publication of such resolution shall be made not less than  
575 twenty-one (21) days before the date fixed in such resolution to  
576 direct the issuance of the bonds, and the last publication shall  
577 be made not more than seven (7) days before such date.

578 (3) Following the public hearing, bonds of the authority may  
579 be issued pursuant to this act payable from and secured by a  
580 pledge of all or any part of the revenues under one or more  
581 contracts entered into pursuant to this act between the authority  
582 and one or more of its member public agencies and from all or any  
583 part of the revenues derived from the operation of any designated  
584 system or any part or parts thereof and any other monies legally  
585 available and designated therefor, as may be determined by the  
586 authority, subject only to any agreement with the purchasers of  
587 the bonds. Such bonds may be further secured by a trust indenture  
588 between the authority and a corporate trustee, which may be any  
589 trust company or bank having powers of a trust company without or  
590 within the State of Mississippi.

591 (4) Bonds of the authority issued under this act shall be  
592 authorized by a resolution adopted by a three-fifths (3/5)  
593 affirmative vote of the total membership of the board of directors  
594 of the authority. Such bonds may be issued in series, and each  
595 series of such bonds shall bear such date, mature at such time,  
596 bear interest at such rate (not exceeding the maximum rate set out  
597 in Section 75-17-103, Mississippi Code of 1972), be in such





598 denomination, be in such form, carry such conversion privileges,  
599 have such rank or priority, be executed in such manner and by such  
600 officers, be payable from such sources in such medium of payment  
601 at such place within or without the State of Mississippi, and be  
602 subject to such terms of redemption prior to maturity, all as may  
603 be provided by resolution of the board of directors.

604 (5) Bonds of the authority issued under this act may be sold  
605 at such price, at public or private sale, in such manner and at  
606 such time as may be determined by the authority to be in the  
607 public interest, and the authority may pay all expenses, premiums,  
608 fees and commissions which it may deem necessary and advantageous  
609 in connection with the issuance and sale thereof.

610 (6) Any pledge of earnings, revenues or other monies made by  
611 the authority shall be valid and binding from the time the pledge  
612 is made. The earnings, revenues or other monies so pledged and  
613 thereafter received by the authority shall immediately be subject  
614 to the lien of such pledge without any physical delivery thereof  
615 or further act, and the lien of any such pledge shall be valid and  
616 binding as against all parties having claims of any kind in tort,  
617 contract or otherwise against such authority regardless of whether  
618 such parties have notice thereof. Neither the resolution nor any  
619 other instrument by which a pledge is created need be recorded.

620 (7) Neither the members of the board of directors nor any  
621 person executing the bonds shall be personally liable on the bonds



622 or be subject to any personal liability or accountability by  
623 reason of the issuance thereof.

624 (8) Proceeds from the sale of bonds of the authority may be  
625 invested, pending their use, in such securities as may be  
626 specified in the resolution authorizing the issuance of the bonds  
627 or the trust indenture securing them, and the earnings on such  
628 investments applied as provided in such resolution or trust  
629 indenture.

630 (9) Whenever any bonds shall have been signed by the officer  
631 designated by the resolution of the board of directors to sign the  
632 bonds who was in office at the time of such signing but who may  
633 have ceased to be such officer prior to the sale and delivery of  
634 such bonds, or who may not have been in office on the date such  
635 bonds may bear, the manual or facsimile signature of such officer  
636 upon such bonds shall nevertheless be valid and sufficient for all  
637 purposes and have the same effect as if the person so officially  
638 executing such bonds had remained in office until the delivery of  
639 the same to the purchaser or had been in office on the date such  
640 bonds may bear.

641 (10) (a) Payments of members made under contracts with the  
642 authority for the purpose of paying premium, if any, principal and  
643 interest on specific bonds issued by the authority under this  
644 section shall be used solely for the purpose of paying premium, if  
645 any, principal and interest on those specific bonds and for no  
646 other purpose. Such payments shall be deposited in a segregated



647 bank account, and the holders of the specific bonds to which the  
648 payments relate shall have an exclusive first priority lien on  
649 such payments and funds deposited in such account. Such payments  
650 shall not be subject to lien or attachment by any creditor of the  
651 authority and shall not be considered to be revenues of the  
652 authority available for payment of operation and maintenance costs  
653 or any other obligation of the authority.

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

659 **SECTION 12.** The authority may by resolution adopted by its  
660 board of directors issue refunding bonds for the purpose of paying  
661 any of its bonds at or prior to maturity or upon acceleration or  
662 redemption. Refunding bonds may be issued at such time prior to  
663 the maturity or redemption of the refunded bonds as the board of  
664 directors deems to be in the public interest, without public  
665 hearing on the question of the issuance thereof. The refunding  
666 bonds may be issued in sufficient amounts to pay or provide the  
667 principal of the bonds being refunded, together with any  
668 redemption premium thereon, any interest accrued or to accrue to  
669 the date of payment of such bonds, the expenses of issue of the  
670 refunding bonds, the expenses of redeeming the bonds being  
671 refunded, and such reserves for debt service or other capital or



672 current expenses from the proceeds of such refunding bonds as may  
673 be required by the resolution, trust indenture or other security  
674 instruments. The issue of refunding bonds, the maturities and  
675 other details thereof, the security therefor, the rights of the  
676 holders and the rights, duties and obligations of the authority in  
677 respect of the same shall be governed by the provisions of this  
678 act relating to the issue of bonds other than refunding bonds  
679 insofar as the same may be applicable. Any such refunding may be  
680 effected, whether the obligations to be refunded shall have then  
681 matured or shall thereafter mature, either by the exchange of the  
682 refunding bonds for the obligations to be refunded thereby with  
683 the consent of the holders of the obligations so to be refunded,  
684 or by sale of the refunding bonds and the application of the  
685 proceeds thereof to the payment of the obligations proposed to be  
686 refunded thereby, and regardless of whether the obligations  
687 proposed to be refunded shall be payable on the same date or  
688 different dates or shall be due serially or otherwise.

689       **SECTION 13.** All bonds (other than refunding bonds, interim  
690 notes and certificates of indebtedness, which may be validated)  
691 issued under this act shall be validated as now provided by law in  
692 Sections 31-13-1 through 31-13-11, Mississippi Code of 1972.  
693 Notice of such validation proceedings shall be addressed to the  
694 citizens of the respective member public agencies (a) which have  
695 contracted with the authority pursuant to this act, and (b) whose  
696 contracts and the payments to be made by the public agencies



697 thereunder constitute security for the bonds of the authority  
698 proposed to be issued, and such notice shall be published at least  
699 once in a newspaper having a general circulation within the  
700 authority's area of service. Such validation proceedings shall be  
701 instituted in the Chancery Court of Hinds County. The validity of  
702 the bonds so validated and of the contracts and payments to be  
703 made by the public agencies thereunder constituting security for  
704 the bonds shall be forever conclusive against the authority and  
705 the public agencies which are parties to said contracts, and the  
706 validity of said bonds and said contracts and the payments to be  
707 made thereunder shall never be called in question in any court in  
708 this state.

709       **SECTION 14.** Bonds issued under this act shall not be deemed  
710 to constitute, within the meaning of any constitutional or  
711 statutory limitation, an indebtedness of the authority or any  
712 member agency thereof. Such bonds shall not be secured by a  
713 pledge of the full faith and credit of the State of Mississippi,  
714 the authority or any member agency thereof, but shall be payable  
715 solely from the revenues or assets of the authority pledged  
716 therefor. Each bond issued under this act shall contain on the  
717 face thereof a statement to the effect that the authority shall  
718 not be obligated to pay the same nor the interest thereon except  
719 from the revenues or assets pledged therefor.

720       **SECTION 15.** The authority shall have power in connection  
721 with the issuance of its bonds to:



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

724           (b) Redeem the bonds, covenant for their redemption and  
725 provide the terms and conditions thereof;

726           (c) Covenant to charge rates, fees and charges  
727 sufficient to meet operating and maintenance expenses, renewals  
728 and replacements, principal and debt service on bonds, creation  
729 and maintenance of any reserves or other funds required by a bond  
730 resolution, trust indenture or other security instrument, and  
731 provide for any margins or coverages over and above debt service  
732 on the bonds deemed desirable for the marketability of the bonds;

733           (d) Covenant and prescribe as to events of default and  
734 terms and conditions upon which any or all of its bonds shall  
735 become or may be declared due before maturity, as to the terms and  
736 conditions upon which such declaration and its consequences may be  
737 waived and as to the consequences of default and the remedies of  
738 the registered owners of the bonds;

739           (e) Covenant as to the mortgage or pledge of or the  
740 grant of a security interest in any real or personal property and  
741 all or any part of the revenues from any designated system or any  
742 part thereof or any revenue-producing contract made by the  
743 authority with any person to secure the payment of bonds, subject  
744 to such agreements with the registered owners of bonds as may then  
745 exist;



746 (f) Covenant as to the custody, collection, securing,  
747 investment and payment of any revenues, assets, monies, funds or  
748 property with respect to which the authority may have any rights  
749 or interest;

750 (g) Covenant as to the purposes to which the proceeds  
751 from the sale of any bonds then or thereafter to be issued may be  
752 applied, and the pledge of such proceeds to secure the payment of  
753 the bonds;

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

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

759 (j) Covenant as to the procedure by which the terms of  
760 any contract with or for the benefit of the registered owners of  
761 bonds may be amended or abrogated, the amount of bonds the  
762 registered owners of which must consent thereto, and the manner in  
763 which such consent may be given;

764 (k) Covenant as to the custody of any of its properties  
765 or investments, the safekeeping thereof, the insurance to be  
766 carried thereon, and the use and disposition of insurance  
767 proceeds;

768 (l) Covenant as to the vesting in a trustee, within or  
769 outside the State of Mississippi, of such properties, rights,  
770 powers and duties in trust as the authority may determine;



771 (m) Covenant as to the appointing and providing for the  
772 duties and obligations of a paying agent or other fiduciary within  
773 or outside the State of Mississippi;

774 (n) Make all other covenants and do any and all such  
775 acts and things as may be necessary, convenient or desirable in  
776 order to secure its bonds, or in the absolute discretion of the  
777 authority tend to make the bonds more marketable, notwithstanding  
778 that such covenants, acts or things may not be enumerated herein;  
779 it being the intention to give the authority power to do all  
780 things in the issuance of bonds and in the provisions for security  
781 thereof which are not inconsistent with the State Constitution;  
782 and

783 (o) Execute all instruments necessary or convenient in  
784 the exercise of the powers herein granted or in the performance of  
785 covenants or duties, which may contain such covenants and  
786 provisions as any purchaser of the bonds of the authority may  
787 reasonably require.

788 **SECTION 16.** The authority may, in any authorizing resolution  
789 of the board of directors, trust indenture or other security  
790 instrument relating to its bonds, provide for the appointment of a  
791 trustee who shall have such powers as are provided therein to  
792 represent the registered owners of any issue of bonds in the  
793 enforcement or protection of their rights under any such  
794 resolution, trust indenture or security instrument. The authority  
795 may also provide in such resolution, trust indenture or other





796 security instrument that the trustee (or in the event that the  
797 trustee so appointed shall fail or decline to so protect and  
798 enforce such registered owners' rights then such percentage of  
799 registered owners as shall be set forth in and subject to the  
800 provisions of such resolution), trust indenture or other security  
801 interest may petition the court of proper jurisdiction for the  
802 appointment of a receiver of the revenues of the system which are  
803 pledged to the payment of the principal of and interest on the  
804 bonds of such registered owners. Such receiver may exercise any  
805 power as may be granted in any such resolution, trust indenture or  
806 security instrument to enter upon and take possession of, acquire,  
807 construct, reconstruct or operate and maintain such system, fix  
808 charges for services of the system and enforce collection thereof,  
809 and receive all revenues derived from such system or facilities  
810 and perform the public duties and carry out the contracts and  
811 obligations of the authority in the same manner as the authority  
812 itself might do, all under the direction of such court.

813       **SECTION 17.** (1) The exercise of the powers granted by this  
814 act will be in all respects for the benefit of the people of the  
815 State of Mississippi, for their well-being and prosperity and for  
816 the improvement of their social and economic conditions, and the  
817 authority shall not be required to pay any tax or assessment on  
818 any property owned by the authority under this act or upon the  
819 income therefrom; nor shall the authority be required to pay any



820 recording fee or transfer tax of any kind on account of  
821 instruments recorded by it or on its behalf.

822 (2) Any bonds issued by the authority under this act, their  
823 transfer and the income therefrom shall at all times be free from  
824 taxation by the State of Mississippi or any local unit or  
825 political subdivision or other instrumentality of the state,  
826 excepting inheritance and gift taxes.

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

835 **SECTION 19.** The State of Mississippi hereby covenants with  
836 the registered owners of any bonds of the authority that, so long  
837 as the bonds are outstanding and unpaid, the state will not limit  
838 or alter the rights and powers of the authority under this act to  
839 conduct the activities referred to herein in any way pertinent to  
840 the interests of the bondholders, including without limitation the  
841 authority's right to charge and collect rates, fees and charges  
842 and to fulfill the terms of any covenants made with the registered  
843 owners of the bonds, or in any other way impair the rights and  
844 remedies of the registered owners of the bonds, unless provision



845 for full payment of such bonds, by escrow or otherwise, has been  
846 made pursuant to the terms of the bonds or the resolution, trust  
847 indenture or security interest securing the bonds.

848         **SECTION 20.** The provisions of this act are cumulative of  
849 other statutes now or hereafter enacted relating to the issuance  
850 of bonds and systems, and to the design, construction, acquisition  
851 or approval of facilities for such purposes, and any public agency  
852 may exercise all presently held powers in furtherance of this act.

853         **SECTION 21.** If any clause, sentence, paragraph, section or  
854 part of the provisions of this act shall be adjudged by any court  
855 of competent jurisdiction to be invalid, such judgment shall not  
856 affect, impair or invalidate the remainder thereof directly  
857 involved in the controversy in which such judgment shall have been  
858 rendered.

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

