

By: Senator(s) Parker

To: Economic and Workforce
Development

SENATE BILL NO. 2889

1 AN ACT TO CREATE THE MISSISSIPPI CAPITOL REGION UTILITY ACT;
2 TO ENSURE ACCESS TO SAFE, CLEAN AND RELIABLE WATER FOR THE
3 CITIZENS OF CENTRAL MISSISSIPPI; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** This act shall be known and may be cited as the
6 "Mississippi Capitol Region Utility Act."

7 **SECTION 2.** (1) The Mississippi Legislature finds the
8 following:

9 (a) For the benefit of the citizens centrally located
10 in the State of Mississippi, including citizens residing or
11 working in the capital city of the State of Mississippi, it is
12 essential to have access to safe, clean and reliable water,
13 wastewater and storm water systems at affordable, regulated rates
14 which are just, reasonable and provide an adequate amount of
15 capital to keep such systems in good repair;

16 (b) The availability of safe, clean and reliable water,
17 wastewater and storm water have vast impacts on health, schools
18 and academic outcomes, crime and safety, state and local



19 government operations, businesses and economic development, the
20 availability of a workforce, tourism and many other critical
21 areas;

22 (c) The availability of safe, clean and reliable water,
23 wastewater and storm water systems requires significant financial
24 resources and human capital to engage in the planning,
25 acquisition, construction, maintenance, coordination and operation
26 required to deliver transparent and efficient services which meet
27 and exceed federal and state regulations and requirements;

28 (d) On November 29, 2022, the Department of Justice
29 filed a complaint alleging that the City of Jackson has failed to
30 provide drinking water that is reliably compliant with the Safe
31 Drinking Water Act to citizens within the boundaries of the water
32 system. The Department of Justice simultaneously filed a proposal
33 which would appoint a receiver, or an interim third party manager,
34 to stabilize the City of Jackson's public drinking water system
35 and build confidence in the water system's ability to supply safe,
36 clean and reliable water to citizens within the boundaries of the
37 water system. The U.S. District Court for the Southern District
38 of Mississippi appointed a receiver to oversee and operate the
39 water system on November 29, 2022.

40 (e) The receiver appointed by the U.S. District Court
41 for the Southern District of Mississippi has communicated to the
42 public the importance of creating a utility district separate and
43 distinct from the City of Jackson to assume ownership, management



44 and control over the water system currently owned by the city of
45 Jackson to operate the system after the receiver's work concludes
46 in the next two years; and

47 (f) The creation and organization of a utility district
48 prior to the date of the conclusion of the receiver's work will
49 allow the best opportunity for minimal disruption in water,
50 wastewater and storm water service and maximum ease of transition
51 after the receiver has concluded his work in overseeing and
52 operating the water system.

53 (2) Therefore, it is the intent of the Mississippi
54 Legislature to:

55 (a) Provide authority to the Mississippi Capitol Region
56 Utility Authority to transfer water, wastewater and storm water
57 services provided by the City of Jackson to the utility
58 authority's ownership, management and control when the
59 court-appointed receiver's work concludes with the water system to
60 ensure all citizens have access to safe, clean and reliable water,
61 wastewater and storm water systems at affordable, regulated rates
62 which are just, reasonable and provide an adequate amount of
63 capital to keep such systems in good repair; and

64 (b) Partner with the Mississippi Department of Health,
65 Mississippi Department of Environmental Quality, local
66 governments, including the City of Jackson, within the boundaries
67 of the utility district, and any other federal, state or local
68 entity in taking any action necessary under this act to ensure all



69 citizens have access to safe, clean and reliable water, wastewater
70 and storm water systems, with the understanding that federal and
71 state agencies are solely responsible for regulating, but not
72 operating, the utility authority.

73 **SECTION 3.** As used in this act, the following words and
74 phrases have the meanings ascribed herein, unless the context
75 clearly indicates otherwise:

76 (a) "Act" means the Mississippi Capitol Region Utility
77 Act.

78 (b) "Board" means the Board of Directors of the
79 Mississippi Capitol Region Utility Authority.

80 (c) "Bonds" means revenue bonds and other certificates
81 of indebtedness of the authority issued under the provisions of
82 this act.

83 (d) "Fiscal year" means the period of time beginning on
84 July 1 of each year and ending on June 30 of each year.

85 (e) "Major procurement" means the procurement of any
86 good or service in excess of One Million Dollars (\$1,000,000.00).

87 (f) "Municipality" means any incorporated city, town or
88 village of the State of Mississippi, whether operating under
89 general law or special charter.

90 (g) "Person" means the State of Mississippi, a county,
91 a municipality, any state agency or any other city, town, village
92 or political subdivision or governmental agency or instrumentality
93 of the State of Mississippi or of the United States of America, or



94 any private utility, individual, copartnership, association, firm,
95 trust, estate or any other entity whatsoever.

96 (h) "Project" means the construction, development or
97 acquisition by the utility authority of any infrastructure for
98 water, wastewater and storm water systems or services and includes
99 upgrading or repair of existing systems.

100 (i) "Public agency" means any county, municipality,
101 state board or utility authority owning or operating properties,
102 districts created pursuant to the general laws or local and
103 private laws of the State of Mississippi, or any other political
104 subdivision of the State of Mississippi possessing the power to
105 own and operate waterworks, water supply systems, sewerage
106 systems, sewage treatment systems or other facilities or systems
107 for the collection, transportation and treatment of water,
108 wastewater, and storm water.

109 (j) "Receiver" means the interim third-party manager
110 for the water system owned by the city of Jackson who was
111 appointed by the U.S. District Court for the Southern District of
112 Mississippi on November 29th, 2022, to oversee and operate the
113 water system during the negotiation of a consent decree related to
114 compliance with the Safe Drinking Water Act and other laws.

115 (k) "Storm water" means any flow occurring during or
116 following any form of natural precipitation and resulting from
117 that precipitation.



118 (l) "System" or "systems" means any plants, structures,
119 facilities and other real and personal property used or useful in
120 the generation, storage, transportation or supply of water, and
121 the collection, transportation, treatment or disposal of
122 wastewater and storm water, including tanks, lakes, streams,
123 ponds, pipes, trunk lines, mains, sewers, conduits, pipelines,
124 pumping and ventilating stations, plants, works, connections and
125 any other real or personal property and rights therein necessary,
126 useful or convenient for the purposes of the utility board or
127 authorities in connection therewith.

128 (m) "Utility authority" shall mean the Mississippi
129 Capitol Region Utility Authority.

130 (n) "Wastewater" means water being disposed of by any
131 person and which is contaminated with waste or sewage, including
132 industrial, municipal, and any other wastewater that may cause
133 impairment of the quality of waters in the state.

134 (o) "Water" means potable water, service water and
135 groundwater.

136 **SECTION 4.** (1) There is hereby created and established a
137 public body corporate and politic constituting a political
138 subdivision of the State of Mississippi to be known as the
139 Mississippi Capitol Region Utility Authority. The authority will
140 be composed of geographic areas receiving water, wastewater and
141 storm water services from the city of Jackson as of the date of
142 enactment of this act for the planning, acquisition, construction,



143 maintenance, operation and coordination of water, wastewater and
144 storm water systems in order to ensure the delivery of water,
145 wastewater and storm water services to citizens. Such utility
146 authority is created solely to accomplish the purposes of the
147 State under this act and the exercise by the utility authority of
148 the powers conferred by this act shall be deemed and held to be
149 the performance of an essential public function promoting the
150 health, welfare and prosperity of the general public.

151 (2) The existence of the utility authority shall begin upon
152 the appointment of a majority of its board as provided in Section
153 5 of this act.

154 (3) The utility authority shall assume ownership, management
155 and control over the water, wastewater and storm water systems on
156 the date of termination of the receiver by the U.S. District Court
157 for the Southern District of Mississippi.

158 (4) In the event of any action or matter against the utility
159 authority, the Chief Justice shall select an appropriate Circuit
160 or Chancery Court, which shall have exclusive jurisdiction over
161 the matter. For purposes of court costs, the utility authority
162 shall be a private corporation.

163 **SECTION 5.** (1) The affairs of the utility authority shall
164 be administered by the Mississippi Capitol Region Utility
165 Authority Board of Directors. The board shall be composed of nine
166 (9) members to be selected as follows: The Mayor of the City of
167 Jackson, with the advice and consent of the Senate, shall appoint



168 four (4) members. The Mayor of the City of Jackson shall consult
169 with the Mayor of the City of Byram to appoint one (1) of their
170 four (4) appointments as long as the City of Byram is included
171 within the boundaries of the systems. The Mayor of the City of
172 Jackson shall consult with the Mayor of the City of Ridgeland to
173 appoint one (1) of their four (4) appointments as long as the City
174 of Ridgeland is included within the boundaries of the systems.
175 The Governor, with the advice and consent of the Senate, shall
176 appoint three (3) members. The Lieutenant Governor, with the
177 advice and consent of the Senate, shall appoint two (2) members.
178 All members shall be appointed within sixty (60) days of the
179 enactment of this act.

180 In the appointment process, appointing authorities shall
181 attempt to see that all portions of society and its diversity are
182 represented in members of the utility authority. All appointed
183 members must be residents of the State of Mississippi, must be
184 ratepayers within the system boundaries, and must have
185 significant, demonstrated experience in business management,
186 fiscal affairs, public health or public utilities.

187 (2) The initial terms of the Board of Directors shall be as
188 follows: One (1) member appointed by the Mayor of the City of
189 Jackson shall serve for an initial term of four (4) years. One
190 (1) member appointed by the Mayor of the City of Jackson shall
191 serve for an initial term of three (3) years. One (1) member
192 appointed by the Mayor of the City of Jackson shall serve for an



193 initial term of two (2) years. One (1) member appointed by the
194 Mayor of the City of Jackson shall serve for an initial term of
195 one (1) year. The Governor shall appoint one (1) member for a
196 term of four (4) years, one (1) member for a term of three (3)
197 years, and one (1) member for a term of two (2) years. The
198 Lieutenant Governor shall appoint one (1) member for a term of
199 four (4) years and one (1) member for a term of three (3) years.

200 (3) Except as provided in Section 5(2) of this act,
201 appointments shall be for a term of four (4) years. Each member
202 shall hold office until his successor has been appointed and
203 qualified. Vacancies shall be filled by appointment by the
204 appropriate appointing authority, subject to the advice and
205 consent of the Senate, for the length of the unexpired term only.
206 Any member of the utility authority shall be eligible for
207 reappointment for a maximum of two (2) full terms. Each member of
208 the utility authority shall before entering upon his duty take an
209 oath of office to administer the duties of his office faithfully
210 and impartially, and a record of such oath shall be filed in the
211 office of the Secretary of State. The utility authority shall
212 annually elect from its membership a chairman and vice chairman
213 who shall be eligible for reelection. The utility authority shall
214 also elect or appoint, and prescribe the duties of, such other
215 officers, who need not be members, as the utility authority deems
216 necessary or advisable and the utility authority shall fix the
217 compensation of such officers. The utility authority may delegate



218 to one or more of its members, officers, employees or agents such
219 powers and duties as it may deem proper, not inconsistent with
220 this article or other provisions of law.

221 (4) The members of the utility authority shall serve without
222 salary, but shall be entitled to receive a per diem pay as
223 provided in Section 25-3-69, plus travel and necessary expenses,
224 including mileage, as provided in Section 25-3-41, incurred while
225 in the performance of his or her duties as a member of the board
226 of directors of the utility authority upon authorization by the
227 board. Expenses shall be paid from the available funds of the
228 utility authority after the utility authority assumes ownership,
229 management and control of the water, wastewater and storm systems
230 as provided in this act. Until the date the utility authority
231 assumes ownership, management and control of the water, wastewater
232 and stormwater systems as provided in this act, expenses shall be
233 paid by the State of Mississippi.

234 (5) All meetings of the board shall be subject to the Open
235 Meetings Act in Section 25-41-1 et seq. The chairman or a
236 majority of members of the utility authority may convene the board
237 for a meeting.

238 (6) Except as may be provided by law, all records of the
239 utility authority shall be deemed public records and subject to
240 public inspection as provided by Section 25-61-1 et seq.

241 (7) The board may by majority vote excuse the absence of any
242 member of the board. In the event that any member of the board is



243 absent for two board meetings in a twelve-month period without
244 such absences being excused by the board, his or her membership on
245 the board shall be terminated as a function of law, without any
246 action by the board, and the removed member of the board shall be
247 ineligible for reappointment to the board. The original
248 appointing authority shall retain their right to appoint a new
249 board member to replace the removed board member.

250 (8) No employee of the utility authority shall be a member
251 of the board.

252 (9) Until such time that the utility district assumes
253 ownership, management, and control of the water, wastewater and
254 storm water systems, the board shall cooperate and coordinate with
255 the receiver in order to provide the best opportunity to for
256 minimal disruption in service and maximum ease of transition after
257 the receiver has concluded his work in overseeing and operating
258 the water system.

259 **SECTION 6.** (1) The utility authority shall consult with the
260 receiver and the City of Jackson in appointing a president by
261 January 1, 2024, who shall serve at the will and pleasure of the
262 board. If the utility authority does not have ownership,
263 management, and control of the water, wastewater and storm water
264 systems by the date of the appointment of a president, the State
265 of Mississippi shall pay the salary of the president on a
266 bimonthly basis. The president shall manage the daily affairs of
267 the utility authority and shall have such powers and duties as



268 specified by this act, by the board, and any rules or regulations
269 adopted by the board. The president shall not be a member of the
270 board. The president shall serve at the will and pleasure of the
271 board.

272 (2) Until such time that the utility district assumes
273 ownership, management, and control of the water, wastewater and
274 storm water systems, the president shall cooperate and coordinate
275 with the receiver in order to provide the best opportunity to for
276 minimal disruption in service and maximum ease of transition after
277 the receiver has concluded his work in overseeing and operating
278 the water system.

279 (3) The president shall employ such personnel as he or she
280 deems necessary. All personnel shall serve at the will and
281 pleasure of the president, unless otherwise specified by the
282 president.

283 (4) The board shall set the salary of the president at such
284 level as is necessary to recruit and retain a qualified
285 professional with the expertise necessary in a public utility.
286 The board may authorize whatsoever incentive compensation program
287 for the president and utility authority staff as it deems
288 necessary and proper. The utility authority shall be exempt from
289 the provisions of Section 25-3-39.

290 **SECTION 7.** (1) The utility authority shall have the power,
291 duty and responsibility to exercise general supervision over the



292 design, construction, operation and maintenance of water,
293 wastewater and storm water systems.

294 (2) The utility authority shall adopt rules and regulations
295 regarding the design, construction or installation, operation and
296 maintenance of water, wastewater and storm water systems.

297 (3) The utility authority shall adopt rules and regulations
298 regarding the use of decentralized treatment systems, individual
299 on-site wastewater treatment systems and centralized wastewater
300 treatment systems.

301 (4) The utility authority shall adopt rules establishing
302 performance standards for water, wastewater and storm water
303 systems and the operation and maintenance of the same. Such rules
304 and regulations shall include the implementation of a standard
305 application form for the installation, operation and maintenance
306 of such systems; application review; approval or denial procedures
307 for any proposed system; inspection, monitoring and reporting
308 guidelines; and enforcement procedures.

309 (5) (a) Before a building or development which requires the
310 installation of a water, wastewater or storm water system is
311 constructed, the system must be submitted to the utility authority
312 for certification that the system complies with the utility
313 authority requirements for such system.

314 (b) Before approving or renewing a water, wastewater or
315 storm water related permit for a system within a utility



316 authority, the state agency must require certification that the
317 system complies with the requirements of the utility authority.

318 (6) Any system of any municipality, public agency or other
319 persons which contracts with a utility authority shall be subject
320 to the terms of that contract and the terms of this act.

321 (7) Notwithstanding the provisions of Section 51-39-1 et
322 seq., the utility authority shall have the full power to adopt
323 rules and regulations and to construct, maintain, lease and
324 operate facilities for the control of storm water quality and
325 quantity. In addition, the provisions of Section 51-33-1 relating
326 to drainage districts and flood control districts do not apply to
327 the utility authority.

328 (8) The utility authority may control and operate the local
329 retail water, wastewater or storm water services and may provide
330 or be responsible for direct servicing of those services to
331 residences, businesses and individuals; however, the utility
332 authority shall not provide the same service in an area provided
333 by a public utility or person holding a certificate of public
334 convenience and necessity issued by the Mississippi Public Service
335 Commission for the provision of such services in the certificated
336 area.

337 **SECTION 8.** (1) The utility authority, in addition to any
338 other powers granted under any other provision of law, including,
339 but not limited to the following:



340 (a) To acquire, construct, improve, enlarge, extend,
341 repair, operate and maintain one or more of its systems used for
342 the collection, transportation, treatment and disposal of water,
343 wastewater and storm water;

344 (b) To make contracts with any person in furtherance
345 thereof; and to make contracts with any person, under the terms of
346 which the utility authority will collect, transport, treat or
347 dispose of water, wastewater and storm water for such person, and
348 to cancel any contracts existing as of the date of enactment of
349 this act;

350 (c) To make contracts with any person to design and
351 construct any water, wastewater and storm water systems or
352 facilities, and thereafter to purchase, lease or sell, by
353 installments over such terms as may be deemed desirable,
354 reasonable and necessary, or otherwise, any such system or
355 systems;

356 (d) To enter into operating agreements with any person,
357 for such terms and upon such conditions as may be deemed
358 desirable, for the operation of any water, wastewater and storm
359 water systems; and the utility authority may lease to or from any
360 person, for such term and upon such conditions as may be deemed
361 desirable, any water, wastewater and storm water collection,
362 transportation, treatment or its other facilities or systems. Any
363 such contract may contain provisions requiring any public agency
364 or other person to regulate the quality and strength of materials



365 to be handled by the respective system or systems and also may
366 provide that the utility authority shall have the right to use any
367 streets, alleys and public ways and places within the jurisdiction
368 of a public agency or other person during the term of the
369 contract;

370 (e) To enter into contracts with any person or any
371 public agency, including, but not limited to, contracts authorized
372 by this act, in furtherance of any of the purposes authorized
373 under this act upon such consideration as the board of directors
374 and such person may agree. Any such contract may extend over any
375 period of time, notwithstanding any provision or rule of law to
376 the contrary; may be upon such terms and for such consideration,
377 nominal or otherwise, as the parties thereto shall agree; and may
378 provide that it shall continue in effect until bonds specified
379 therein, refunding bonds issued in lieu of such bonds, and all
380 other obligations specified therein are paid or terminated. Any
381 such contract shall be binding upon the parties thereto according
382 to its terms;

383 (f) To sue and be sued, in its own name, and to enjoy
384 all of the protections, immunities and benefits provided by the
385 Mississippi Tort Claims Act, Section 11-46-1 et seq., as it may be
386 amended or supplemented from time to time;

387 (g) To maintain office space at such place or places
388 within the utility authority's boundaries as it may determine;



389 (h) To invest money of the utility authority, including
390 proceeds from the sale of any bonds subject to any agreements with
391 bondholders, on such terms and in such manner as the utility
392 authority deems proper;

393 (i) To pay any outstanding City of Jackson bonds
394 relating to the water and sewer systems under their existing
395 terms;

396 (j) To require the necessary relocation or rerouting of
397 roads and highways, railroad, telephone and telegraph lines, and
398 properties, electric power lines, gas pipelines and related
399 facilities, or to require the anchoring or other protection of any
400 of these, provided fair compensation is first paid to the owners
401 or an agreement with such owners regarding the payment of the cost
402 of such relocation, and to acquire easements or rights-of-way for
403 such relocation or rerouting and to convey the same to the owners
404 of the property being relocated or rerouted in connection with the
405 purposes of this act. This provision shall be in accordance with
406 Mississippi Constitution Article 17A, Section 11-27-30, and House
407 Bill No. 1769 as passed during the 2022 Legislative Session;

408 (k) To acquire, construct, improve or modify, to
409 operate or cause to be operated and maintained, either as owner of
410 all or of any part in common with others, any water, wastewater or
411 storm water system within the utility authority's service area.
412 The utility authority may pay all or part of the cost of any
413 system from any contribution by persons, firms, public agencies or



414 corporations. The utility authority may receive, accept and use
415 all funds, public or private, and pay all costs of the
416 development, implementation and maintenance as may be determined
417 as necessary for any project;

418 (l) To acquire, in its own name, by purchase on any
419 terms and conditions and in any manner as it may deem proper,
420 property for public use, or by gift, grant, lease, or otherwise,
421 real property or easements therein, franchises and personal
422 property necessary or convenient for its corporate purposes. This
423 provision shall be in accordance with Mississippi Constitution
424 Article 17A, Section 11-27-30, and House Bill No. 1769 as passed
425 during the 2022 Legislative Session;

426 (m) To acquire insurance for the utility authority's
427 systems, facilities, buildings, treatment plants and all property,
428 real or personal, to insure against all risks as any insurance
429 may, from time to time, be available;

430 (n) To use any property and rent or lease any property
431 to or from others, including public agencies, or make contracts
432 for the use of the property. The utility authority may sell,
433 lease, exchange, transfer, assign, pledge, mortgage or grant a
434 security interest for any property. The powers to acquire, use
435 and dispose of property as set forth in this paragraph shall
436 include the power to acquire, use and dispose of any interest in
437 that property, whether divided or undivided. Title to any property



438 of the utility authority shall be held by the utility authority
439 exclusively for the benefit of the public;

440 (o) To apply, contract for, accept, receive and
441 administer gifts, grants, appropriations and donations of money,
442 materials and property of any kind, including loans and grants
443 from the United States, the state, a unit of local government, or
444 any agency, department, district or instrumentality of any of the
445 foregoing, upon any terms and conditions as the United States, the
446 state, a unit of local government, or any agency, department,
447 district or instrumentality shall impose. The utility authority
448 may administer trusts. The utility authority may sell, lease,
449 transfer, convey, appropriate and pledge any and all of its
450 property and assets;

451 (p) To make and enforce, and from time to time amend
452 and repeal, bylaws, rules, ordinances and regulations for the
453 management of its business and affairs and for the construction,
454 use, maintenance and operation of any of the systems under its
455 management and control;

456 (q) To employ and terminate staff and other personnel,
457 including attorneys, engineers and consultants as may be necessary
458 to the functioning of the utility authority;

459 (r) To establish and maintain rates, fees and any other
460 charges for services and the use of systems and facilities within
461 the control of the utility authority, and from time to time, to
462 adjust such rates, fees and any other charges to the end that the



463 revenues therefrom will be sufficient at all times to pay the
464 expenses of operating and maintaining of the facilities and
465 treatment systems and all of the persons' obligations under any
466 contract or bonds resolution with respect thereto or any
467 obligation of any person under any agreement, contract, indenture
468 or bonds resolution with respect thereto. Such rates, fees,
469 assessments and any other charges shall be subject to the
470 jurisdiction of the Mississippi Public Service Commission. Such
471 rates, fees, assessments or any other charges shall be equal as
472 levied on citizens throughout the utility authority's boundaries.
473 For purposes of Section 77-3-33, the rates charged by the utility
474 authority shall be just and reasonable if they are adequate to
475 provide safe and reliable water, wastewater and storm water
476 service to its customers, including providing an adequate amount
477 of capital for the utility authority to perform such repairs,
478 upgrades and improvements as it deems necessary on an ongoing
479 basis. The Mississippi Public Service Commission shall defer to
480 the utility authority's determination of what rates are just and
481 reasonable absent a showing of manifest error;

482 (s) To adopt rules and regulations necessary to
483 accomplish the purposes of the utility authority and to assure the
484 payment of each participating person or public agency of its
485 proportionate share of the costs for use of any of the systems and
486 facilities of the utility authority and for the utility
487 authority's proportionate share of the costs of the board;



488 (t) To enter on public or private lands, waters or
489 premises for the purpose of making surveys, borings or soundings,
490 or conducting tests, examinations or inspections for the purposes
491 of the authority, subject to responsibility for any damage done to
492 property entered;

493 (u) To accept industrial wastewater from within the
494 boundaries of the utility authority for treatment and to require
495 the pretreatment of same when, in the opinion of the utility
496 authority, such pretreatment is necessary;

497 (v) To control and operate local retail water,
498 wastewater and storm water services, and may provide or be
499 responsible for direct servicing of those services to residences,
500 businesses and individuals; however, the utility authority shall
501 not provide the same services in an area provided by a public
502 utility or person holding a certificate of public convenience and
503 necessity issued by the Mississippi Public Service Commission for
504 the provision of such services in the certificated area;

505 (w) To assume control and administer, within the
506 utility authority's jurisdiction, any water, wastewater or storm
507 water system or systems by agreement or contract with any person
508 if the person providing such services requests to be relieved of
509 that responsibility. However, the person may maintain control
510 over connections in their service areas and may charge rates, fees
511 and any other charges in addition to the rates, fees and any
512 charges of the utility authority;



513 (x) The utility authority shall have the power to
514 acquire property designated by plan to sufficiently accommodate
515 the location of water, wastewater or storm water systems and such
516 requirements related directly thereto pursuant to the provisions
517 of Title 11, Chapter 27, Mississippi Code of 1972. The utility
518 authority may acquire property necessary for any system and the
519 exercise of the powers, rights and duties conferred upon the
520 utility authority by this act. No person owning the drilling
521 rights or the right to share in production shall be prevented from
522 exploring, developing or producing oil or gas with necessary
523 rights-of-way for ingress and egress, pipelines and other means of
524 transporting such interests on any lands or interest of the
525 utility authority held or used for the purposes of this act, but
526 any such activities shall be subject to reasonable regulations by
527 the board of directors that will adequately protect the systems or
528 projects of the utility authority. This provision shall be in
529 accordance with Mississippi Constitution Article 17A and House
530 Bill No. 1769 as passed during the 2022 Legislative Session;

531 (y) To use any legally available funds to acquire,
532 rebuild, operate and maintain any existing water, wastewater or
533 storm water systems owned or operated by any person;

534 (z) To refuse to receive water, wastewater or storm
535 water from any public agency or person;

536 (aa) So long as any indebtedness on the systems of the
537 utility authority remains outstanding, to require a member public



538 agency, or other person, that all water, wastewater and storm
539 water within the boundaries of the respective utility authority be
540 disposed of through the appropriate treatment system to the extent
541 that the same may be available, but no public agency shall be
542 precluded from constructing, operating and maintaining its own
543 such system after the current indebtedness owing on the system as
544 of the date of enactment of this act, is paid in full; and

545 (bb) Adopt a seal and a symbol, and hold patents,
546 copyrights, trademarks, and service marks and enforce its rights
547 with respect thereto.

548 (3) The utility authority shall:

549 (a) Submit annual reports to the Governor, Lieutenant
550 Governor, Speaker of the House of Representatives, State Auditor,
551 Joint Legislative Committee on Performance Evaluation and
552 Expenditure Review and the governing authorities of any
553 municipality whose citizens are within the utility authority's
554 boundaries regarding the water quality and financial conditions of
555 such system or systems, as well as a schedule of currently planned
556 repairs, upgrades or improvements planned by the utility
557 authority;

558 (b) Immediately submit to the Governor, Lieutenant
559 Governor, Speaker of the House of Representatives and the
560 governing authorities of any municipality whose citizens are
561 within the utility authority's boundaries any information received
562 from the Mississippi State Department of Health or Department of



563 Environmental Quality or other state or federal regulatory
564 agencies regarding the condition of a transferred eligible
565 municipal system. The utility authority, in addition to abiding
566 by any other federal or state reporting requirements, must also
567 report such information to the public on its website and to
568 individuals residing within the municipality as required by
569 federal or state law;

570 (c) Publish audited annual financial statements, which
571 shall be made available to the public. The annual financial
572 statements shall include disposition of all funds expended by the
573 Utility authority for any purpose. Quarterly financial statements
574 shall be made available to the public by posting on the Utility
575 authority's website;

576 (d) Adopt by administrative rules and regulations a
577 system of continuous internal audits;

578 (e) Adopt by administrative rules and regulations a
579 code of ethics for officers and employees of the utility authority
580 to carry out the standards of conduct established by this act; and

581 (f) Adopt by administrative rules and regulations
582 guidelines for the disposal of property if the utility authority
583 is dissolved.

584 **SECTION 9.** (1) The president, as executive director of the
585 utility authority, if so appointed by the utility authority, shall
586 direct and supervise all administrative and technical activities
587 in accordance with the provisions of this act, within the



588 administrative rules and regulations adopted by the board, and in
589 accordance with industry practice. The president shall:

590 (a) Supervise and administer or contract for the
591 supervision and administration of the water, wastewater and storm
592 water systems owned, managed or controlled by the utility
593 authority.

594 (b) Employ and direct such personnel as may be
595 necessary to carry out the purposes of this act and utilize such
596 services, personnel or facilities of the utility authority as he
597 or she may deem necessary.

598 (c) Make available for inspection by the board or any
599 member of the board or the Governor, Lieutenant Governor, Speaker
600 of the House or the governing authorities of any municipality
601 whose citizens are served by the utility authority, upon request,
602 all books, records, files and other information and documents of
603 his or her office and advise the board and recommend such
604 administrative rules and regulations and other matters he or she
605 deems necessary and advisable to improve the operation and
606 administration of the utility authority.

607 (d) Attend meetings of the board or appoint a designee
608 to attend on his or her behalf.

609 (e) Not later than thirty (30) days before the
610 beginning of the utility authority's fiscal year, submit the
611 proposed annual budget of the utility authority to the board for
612 review and approval. This shall include a schedule of planned



613 repairs, upgrades or improvements to the systems and the
614 anticipated capital cost of each. In addition, the proposed
615 annual budget of the utility authority shall include a personnel
616 table reporting information for each full-time and part-time
617 permanent position, as follows:

618 (i) The position title and the salary for each
619 position in the existing operating budget for the current fiscal
620 year, indicating whether each position is filled or vacant as of
621 the reporting date; and

622 (ii) The position title and the salary recommended
623 for each position for the next fiscal year.

624 (f) The president shall require bond of fifty thousand
625 dollars (\$50,000.00) from employees with access to funds or in
626 such an amount as provided in the administrative rules and
627 regulations of the board.

628 (2) The president may:

629 (a) Require bond from other employees as he or she
630 deems necessary; and

631 (b) For good cause, and with approval from the majority
632 of the board, suspend, revoke or refuse to renew any contract
633 entered into in accordance with this act or the administrative
634 rules and regulations of the board.

635 (c) Upon specific or general approval of the board,
636 enter into personal service contracts pursuant to administrative
637 rules and regulations adopted by the board and compensate such



638 consultants and technical assistants as may be required to carry
639 out the provisions of this act.

640 (3) Agencies, departments or units of state government,
641 including, but not limited to, the Mississippi Department of
642 Health and the Mississippi Department of Environmental Quality,
643 shall cooperate with the utility authority to regulate the utility
644 authority and assure the effective operation of the utility
645 authority's systems, with the understanding that such agencies act
646 as a regulator and not operator of such systems. All state
647 officers are hereby empowered and required to render such services
648 to the utility authority within their respective functions as may
649 be requested by the utility authority.

650 **SECTION 10.** Employees of the utility authority shall serve
651 at the will and pleasure of the president who shall determine
652 their compensation and benefits. The compensation of officers at
653 the division head level and above shall be determined by the
654 board.

655 **SECTION 11.** Neither the directors of the utility authority,
656 the board, its employees, nor any person or persons acting on
657 their behalf, while acting within the scope of their authority,
658 shall be subject to personal liability resulting from carrying out
659 any of the powers granted herein in accordance with his or her
660 good faith belief that he or she is acting in the best interests
661 of the utility authority.



662 **SECTION 12.** (1) The utility authority shall enter into its
663 contracts for major procurements after a competitive and open
664 procurement process. The utility authority may adopt
665 administrative rules and regulations pursuant to the provisions of
666 this act providing for special procedures whereby the utility
667 authority may make any class of procurement. The utility
668 authority shall endeavor to ensure the transparency and
669 competitiveness of procurements of all sizes.

670 (2) In its bidding processes, the utility authority may do
671 its own bidding and procurement or may utilize the services of
672 other state agencies as appropriate and necessary. The president
673 may, with the approval of a majority of the board, declare an
674 emergency for purchasing purposes which shall be governed by the
675 administrative rules and regulations adopted by the board.

676 **SECTION 13.** All monies received by the utility authority
677 shall be deposited into an operating account. Such account shall
678 be established in a custodian financial institution domiciled in
679 the State of Mississippi, insured by the Federal Deposit Insurance
680 Corporation and collateralized as prescribed by Section 27-105-5.

681 **SECTION 14.** All division heads, officers and employees of
682 the utility authority shall be considered public servants as
683 defined in Section 25-4-103. All division heads and officers of
684 the utility authority are subject to Section 25-4-25 and shall be
685 required to file a Statement of Economic Interest with the
686 Mississippi Ethics Commission.



687 **SECTION 15.** (1) Any public agency or person, pursuant to a
688 duly adopted resolution of the governing body of such public
689 agency or person, may enter into contracts with the utility
690 authority under the terms of which the utility authority will
691 manage, operate and contract for usage of its systems and
692 facilities, or other services, for such person or public agency.

693 (2) Any public agency or person may enter into contracts
694 with the utility authority for the utility authority to purchase
695 or sell, by installments over such terms as may be deemed
696 desirable, or otherwise, to any person or any systems. Any public
697 agency may sell, donate, convey, or otherwise dispose of water,
698 wastewater and storm water facilities or systems; or any
699 equipment, personal property or any other things, deemed necessary
700 for the construction, operation, and maintenance to the utility
701 authority without the necessity of appraisal, advertising, or
702 bidding. This section creates an alternative method of disposal of
703 public property.

704 (3) Any public agency is authorized to enter into operating
705 agreements with the utility authority, for such terms and upon
706 such conditions as may be deemed desirable, for the operation of
707 any of its systems of any person by the utility authority or by
708 any person contracting with the utility authority to operate such
709 systems.



710 (4) Any public agency may lease to or from the utility
711 authority, for such term and upon such conditions as may be deemed
712 desirable, any of its systems.

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

715 (6) Any such contract may contain provisions requiring any
716 public agency or other person to regulate the quality and strength
717 of the material to be handled by the wastewater or storm water
718 systems and may also provide that the utility authority shall have
719 the right to use any streets, alleys and public ways and places
720 within the jurisdiction of a public agency or other person during
721 the term of the contract. Such contracts may obligate the public
722 agency to make payments to the utility authority or to a trustee
723 in amounts which shall be sufficient to enable the utility
724 authority to defray the expenses of administering, operating and
725 maintaining its respective systems, to pay interest and principal
726 (whether at maturity upon redemption or otherwise) on bonds of the
727 utility authority, issued under this act and to fund reserves for
728 debt service, for operation and maintenance and for renewals and
729 replacements, to fulfill the requirements of any rate covenant
730 with respect to debt service coverage contained in any resolution,
731 trust indenture or other security agreement relating to the bonds
732 of the utility authority issued under this act or to fulfill any
733 other requirement relating to bonds issued pursuant to this act.



734 (7) Any public agency shall have the power to enter into
735 such contracts with the utility authority as in the discretion of
736 the governing body of the public agency would be in the best
737 interest of the public agency. Such contracts may include a
738 pledge of the full faith and credit of such public agency and/or
739 the avails of any special assessments made by such public agency
740 against property receiving benefits, as now or hereafter are
741 provided by law. Any such contract may provide for the sale, or
742 lease to, or use of by the utility authority, of the systems or
743 any part thereof, of the public agency; and may provide that the
744 utility authority shall operate its systems or any part thereof of
745 the public agency; and may provide that any public agency shall
746 have the right to continued use and/or priority use of the systems
747 or any part thereof during the useful life thereof upon payment of
748 reasonable charges therefor; and may contain provisions to assure
749 equitable treatment of persons or public agencies who contract
750 with the utility authority under this act; and may contain such
751 other provisions and requirements as the parties thereto may
752 determine to be appropriate or necessary. Such contracts may
753 extend over any period of time, notwithstanding any provisions of
754 law to the contrary, and may extend beyond the life of the
755 respective systems or any part thereof or the term of the bonds
756 sold with respect to such facilities or improvements thereto.

757 (8) The obligations of a public agency arising under the
758 terms of any contract referred to in this act, whether or not



759 payable solely from a pledge of revenues, shall not be included
760 within the indebtedness limitations of the public agency for
761 purposes of any constitutional or statutory limitation or
762 provision. To the extent provided in such contract and to the
763 extent such obligations of the public agency are payable wholly or
764 in part from the revenues and other monies derived by the public
765 agency from the operation of its systems or of its combined
766 systems, or any part thereof, such obligations shall be treated as
767 expenses of operating such systems.

768 (9) Contracts referred to in this section may also provide
769 for payments in the form of contributions to defray the cost of
770 any purpose set forth in the contracts and as advances for the
771 respective systems or any part thereof subject to repayment by the
772 utility authority. A public agency may make such contributions or
773 advances from its general fund or surplus fund or from special
774 assessments or from any monies legally available therefor.

775 (10) Subject to the terms of a contract or contracts
776 referred to in this act, the utility authority is hereby
777 authorized to do and perform any and all acts or things necessary,
778 convenient or desirable to carry out the purposes of such
779 contracts, including the fixing, charging, collecting, maintaining
780 and revising of rates, fees and other charges for the services
781 rendered to any user of any of the systems operated or maintained
782 by the utility authority, whether or not such systems are owned by
783 the utility authority.



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

790 **SECTION 16.** Whenever a public agency shall have executed a
791 contract under this act and the payments thereunder are to be made
792 either wholly or partly from the revenues of the public agency's
793 systems, or any part thereof, or a combination of such systems,
794 the duty is hereby imposed on the public agency to establish and
795 maintain and from time to time to adjust the rate or fees charged
796 by the public agency for the services of such systems, so that the
797 revenues therefrom, together with any taxes and special
798 assessments levied in support thereof, will be sufficient at all
799 times to pay:

800 (a) The expense of operating and maintaining such
801 systems, including, but not limited to, all of the public agency's
802 obligations to the utility authority and the cost required to
803 staff such systems, its successors or assigns under such contract;
804 and

805 (b) All of the public agency's obligations under and in
806 connection with bonds theretofore issued, or which may be issued
807 thereafter and secured by the revenues of such systems. Any such
808 contract may require the use of consulting engineers and financial



809 experts to advise the public agency whether and when such rates
810 and fees are to be adjusted.

811 SECTION 17. (1) Notwithstanding the provisions of Sections
812 77-3-21 and 77-3-23, the certificate of public convenience and
813 necessity held by any municipality, public agency, district,
814 public utility or other person authorized by law to provide water,
815 sewer and wastewater services may be cancelled and its powers,
816 duties and responsibilities transferred to the utility authority
817 in the manner provided by this section.

818 (2) Any entity described in subsection (1) of this section
819 desiring to have its certificate of public convenience and
820 necessity cancelled and its powers, duties and responsibilities
821 transferred to the utility authority shall make a determination to
822 that effect on its official minutes if a public entity, or by
823 affidavit if not a public entity, and transmit such determination
824 to the utility authority.

825 (3) Upon receipt of the document evidencing such
826 determination from an entity to transfer its powers, duties and
827 responsibilities to the utility authority, the utility authority
828 shall, by resolution, declare whether it is willing and able to
829 accept such transfer from the entity.

830 (4) Upon completion of the requirements of subsections (2)
831 and (3) of this section herein and agreement by both parties to
832 the transfer, the holder of the certificate of public convenience
833 and necessity and the utility authority shall jointly petition the



834 Public Service Commission to cancel the certificate of public
835 convenience and necessity. The petition must be accompanied by
836 copies of the official minutes, affidavit or resolution, as the
837 case may be, reflecting the actions of the petitioners. After
838 review of the petition and any other evidence as the Public
839 Service Commission deems necessary, the commission may issue an
840 order canceling the certificate and transferring to the utility
841 authority the powers, duties and responsibilities granted by the
842 certificate, including all assets and debts of the transferor
843 petitioner related to such certificated services, real or
844 personal, or both, if it finds that:

845 (a) Subsections (2) and (3) of this section have been
846 complied with; and

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

848 (5) The utility authority and providers of water, sewer,
849 wastewater and storm water services that are not holders of a
850 certificate of a public convenience and necessity from the Public
851 Service Commission may enter into agreements for the provision of
852 such services, including, but not limited to, the transfer to the
853 utility authority of such provider's powers, duties,
854 responsibilities, assets and debts.

855 (6) Nothing herein shall require a municipality currently
856 served by the utility authority to remain within the boundaries of
857 the utility authority.



858 **SECTION 18.** (1) Any system of a municipality, public agency
859 or person that becomes subject to the jurisdiction of a utility
860 authority and this act shall not impair, invalidate or abrogate
861 any liens, bonds or other certificates of indebtedness related to
862 water, storm water or wastewater facilities and systems incurred
863 prior to becoming subject to the jurisdiction of the utility
864 authority.

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

869 **SECTION 19.** (1) Sections 49-17-753 through 49-17-771 apply
870 to all bonds to be issued after the date of enactment of this act,
871 and such provisions shall not affect, limit or alter the rights
872 and powers of any utility authority under this act or any law of
873 Mississippi to conduct the activities referred to herein in any
874 way pertinent to the interests of the bondholders, including,
875 without limitation, such utility authority's right to charge and
876 collect rates, fees and charges and to fulfill the terms of any
877 covenants made with the registered owners of any existing bonds,
878 or in any other way impair the rights and remedies of the
879 registered owners of any existing bonds, unless provision for full
880 payment of such bonds, by escrow or otherwise, has been made
881 pursuant to the terms of the bonds or the resolution, trust
882 indenture or security interest securing the bonds.



883 (2) The utility authority shall have the power and is hereby
884 authorized, from time to time, to borrow money and to issue
885 revenue bonds and interim notes in such principal amounts as the
886 utility authority may determine to be necessary to provide
887 sufficient funds for achieving one or more of the purposes of this
888 act, including, without limiting the generality of the foregoing,
889 to defray all the costs of the project, the cost of the
890 acquisition, construction, improvement, repair or extension of a
891 system, or any part thereof, whether or not such facilities are
892 owned by the utility authority, the payment of interest on bonds
893 of the utility authority issued pursuant to this act,
894 establishment of reserves to secure such bonds and payment of the
895 interest thereon, expenses incident to the issuance of such bonds
896 and to the implementation of the utility authority's system, and
897 all other expenditures of the utility authority incident to or
898 necessary or convenient to carry out the purposes of this act.

899 (3) Before issuing bonds, other than interim notes or
900 refunding bonds as provided in Section 49-17-757, the board of
901 directors of the utility authority shall adopt a resolution
902 declaring its intention to issue such bonds and stating the
903 maximum principal amount of bonds proposed to be issued, a general
904 generic description of the proposed improvements and the proposed
905 location thereof and the date, time and place at which the board
906 of directors proposes to take further action with respect to the
907 issuance of such bonds. The resolution shall be published once a



908 week for at least three (3) consecutive weeks in at least one (1)
909 newspaper having a general circulation within the geographical
910 limits of all of the public agencies which have contracted with
911 the utility authority pursuant to this act.

912 (4) Bonds of the utility authority issued pursuant to this
913 act shall be payable from and secured by a pledge of all or any
914 part of the revenues under one or more contracts entered into
915 pursuant to this act between the utility authority and one or more
916 of its contracting public agencies and from all or any part of the
917 revenues derived from the operation of any designated system or
918 any part or parts thereof and any other monies legally available
919 and designated therefor, as may be determined by such utility
920 authority, subject only to any agreement with the purchasers of
921 the bonds. Such bonds may be further secured by a trust indenture
922 between such utility authority and a corporate trustee, which may
923 be any trust company or bank having powers of a trust company
924 without or within the state.

925 (5) Bonds of the utility authority issued pursuant to this
926 act shall be authorized by a resolution or resolutions adopted by
927 a majority affirmative vote of the total membership of the board
928 of directors of the utility authority. Such bonds may be issued
929 in series, and each series of such bonds shall bear such date or
930 dates, mature at such time or times, bear interest at such rate or
931 rates (not exceeding the maximum rate set out in Section
932 75-17-103, Mississippi Code of 1972), be in such denomination or



933 denominations, be in such form, carry such conversion privileges,
934 have such rank or priority, be executed in such manner and by such
935 officers, be payable from such sources in such medium of payment
936 at such place or places within or without the state, provided that
937 one such place shall be within the state, and be subject to such
938 terms of redemption prior to maturity, all as may be provided by
939 resolution or resolutions of the board of directors. The term of
940 such bonds issued pursuant to this act shall not exceed forty (40)
941 years.

942 (6) Bonds of the utility authority issued pursuant to this
943 act may be sold at such price or prices, at public or private
944 sale, in such manner and at such times as may be determined by
945 such utility authority to be in the public interest, and such
946 utility authority may pay all expenses, premiums, fees and
947 commissions which it may deem necessary and advantageous in
948 connection with the issuance and sale thereof.

949 (7) Any pledge of earnings, revenues or other monies made by
950 the utility authority shall be valid and binding from the time the
951 pledge is made. The earnings, revenues or other monies so pledged
952 and thereafter received by such utility authority shall
953 immediately be subject to the lien of such pledge without any
954 physical delivery thereof or further act, and the lien of any such
955 pledge shall be valid and binding as against all parties having
956 claims of any kind in tort, contract or otherwise against such
957 utility authority irrespective of whether such parties have notice



958 thereof. Neither the resolution nor any other instrument by which
959 a pledge is created need be recorded.

960 (8) Neither the members of the board of directors nor any
961 person executing the bonds shall be personally liable on the bonds
962 or be subject to any personal liability or accountability by
963 reason of the issuance thereof.

964 (9) Proceeds from the sale of bonds of the utility authority
965 may be invested, pending their use, in such securities as may be
966 specified in the resolution authorizing the issuance of the bonds
967 or the trust indenture securing them, and the earnings on such
968 investments applied as provided in such resolution or trust
969 indenture.

970 (10) Whenever any bonds shall have been signed by the
971 officer(s) designated by the resolution of the board of directors
972 to sign the bonds who were in office at the time of such signing
973 but who may have ceased to be such officer(s) prior to the sale
974 and delivery of such bonds, or who may not have been in office on
975 the date such bonds may bear, the manual or facsimile signatures
976 of such officer(s) upon such bonds shall nevertheless be valid and
977 sufficient for all purposes and have the same effect as if the
978 person so officially executing such bonds had remained in office
979 until the delivery of the same to the purchaser or had been in
980 office on the date such bonds may bear.

981 (11) The utility authority has the discretion to advance or
982 borrow funds needed to satisfy any short-term cash flow demands or



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

986 SECTION 20. (1) The utility authority may, by resolution
987 adopted by its board of directors, issue refunding bonds for the
988 purpose of paying any of its bonds at or prior to maturity or upon
989 acceleration or redemption. Refunding bonds may be issued at such
990 time prior to the maturity or redemption of the refunded bonds as
991 the board of directors deems to be in the public interest, without
992 an election on the question of the issuance thereof. The refunding
993 bonds may be issued in sufficient amounts to pay or provide the
994 principal of the bonds being refunded, together with any
995 redemption premium thereon, any interest accrued or to accrue to
996 the date of payment of such bonds, the expenses of issue of the
997 refunding bonds, the expenses of redeeming the bonds being
998 refunded, and such reserves for debt service or other capital or
999 current expenses from the proceeds of such refunding bonds as may
1000 be required by the resolution, trust indenture or other security
1001 instruments. The issue of refunding bonds, the maturities and
1002 other details thereof, the security therefor, the rights of the
1003 holders and the rights, duties and obligations of the utility
1004 authority in respect of the same shall be governed by the
1005 provisions of this act relating to the issue of bonds other than
1006 refunding bonds insofar as the same may be applicable. Any such
1007 refunding may be effected, whether the obligations to be refunded



1008 shall have then matured or shall thereafter mature, either by the
1009 exchange of the refunding bonds for the obligations to be refunded
1010 thereby with the consent of the holders of the obligations so to
1011 be refunded, or by sale of the refunding bonds and the application
1012 of the proceeds thereof to the payment of the obligations proposed
1013 to be refunded thereby, and regardless of whether the obligations
1014 proposed to be refunded shall be payable on the same date or
1015 different dates or shall be due serially or otherwise.

1016 (2) Borrowing by the utility authority may be made by the
1017 delivery of interim notes to any person or public agency or
1018 financial institution by a majority vote of the board of
1019 directors.

1020 **SECTION 21.** All bonds (other than refunding bonds, interim
1021 notes and certificates of indebtedness, which may be validated)
1022 issued pursuant to this act shall be validated as now provided by
1023 law in Sections 31-13-1 through 31-13-11, Mississippi Code of
1024 1972; however, notice of such validation proceedings shall be
1025 addressed to the citizens of the respective public agencies (a)
1026 which have contracted with the utility authority pursuant to this
1027 act, and (b) whose contracts and the payments to be made by the
1028 public agencies thereunder constitute security for the bonds of
1029 such utility authority proposed to be issued, and that such notice
1030 shall be published at least once in a newspaper or newspapers
1031 having a general circulation within the geographical boundaries of
1032 each of the contracting public agencies to whose citizens the



1033 notice is addressed. Such validation proceedings shall be
1034 instituted in any chancery courts within the boundaries of the
1035 utility authority. The validity of the bonds so validated and of
1036 the contracts and payments to be made by the public agencies
1037 thereunder constituting security for the bonds shall be forever
1038 conclusive against the utility authority and the public agencies
1039 which are parties to said contracts; and the validity of said
1040 bonds and said contracts and the payments to be made thereunder
1041 shall never be called in question in any court in this state.

1042 **SECTION 22.** Bonds issued under the provisions of this act
1043 shall not be deemed to constitute, within the meaning of any
1044 constitutional or statutory limitation, an indebtedness of the
1045 utility authority or the state. Such bonds shall be payable
1046 solely from the revenues or assets of the utility authority
1047 pledged therefor. Each bond issued under this act shall contain
1048 on the face thereof a statement to the effect that such utility
1049 authority, nor the state, shall not be obligated to pay the same
1050 nor the interest thereon except from the revenues or assets
1051 pledged therefor.

1052 **SECTION 23.** The utility authority shall have power in
1053 connection with the issuance of its bonds pursuant to this act to:

1054 (a) Covenant as to the use of any or all of its
1055 property, real or personal;

1056 (b) Redeem the bonds, to covenant for their redemption
1057 and to provide the terms and conditions thereof;



1058 (c) Covenant to charge rates, fees and charges
1059 sufficient to meet operating and maintenance expenses, renewals
1060 and replacements, principal and debt service on bonds, creation
1061 and maintenance of any reserves required by a bonds resolution,
1062 trust indenture or other security instrument and to provide for
1063 any margins or coverages over and above debt service on the bonds
1064 deemed desirable for the marketability of the bonds;

1065 (d) Covenant and prescribe as to events of default and
1066 terms and conditions upon which any or all of its bonds shall
1067 become or may be declared due before maturity, as to the terms and
1068 conditions upon which such declaration and its consequences may be
1069 waived and as to the consequences of default and the remedies of
1070 the registered owners of the bonds;

1071 (e) Covenant as to the mortgage or pledge of or the
1072 grant of a security interest in any real or personal property and
1073 all or any part of the revenues from any designated system or any
1074 part thereof or any revenue-producing contract or contracts made
1075 by a utility authority with any person to secure the payment of
1076 bonds, subject to such agreements with the registered owners of
1077 bonds as may then exist;

1078 (f) Covenant as to the custody, collection, securing,
1079 investment and payment of any revenues, assets, monies, funds or
1080 property with respect to which a utility authority may have any
1081 rights or interest;



1082 (g) Covenant as to the purposes to which the proceeds
1083 from the sale of any bonds then or thereafter to be issued may be
1084 applied, and the pledge of such proceeds to secure the payment of
1085 the bonds;

1086 (h) Covenant as to the limitations on the issuance of
1087 any additional bonds, the terms upon which additional bonds may be
1088 issued and secured, and the refunding of outstanding bonds;

1089 (i) Covenant as to the rank or priority of any bonds
1090 with respect to any lien or security;

1091 (j) Covenant as to the procedure by which the terms of
1092 any contract with or for the benefit of the registered owners of
1093 bonds may be amended or abrogated, the amount of bonds the
1094 registered owners of which must consent thereto, and the manner in
1095 which such consent may be given;

1096 (k) Covenant as to the custody of any of its
1097 properties or investments, the safekeeping thereof, the insurance
1098 to be carried thereon, and the use and disposition of insurance
1099 proceeds;

1100 (l) Covenant as to the vesting in a trustee or
1101 trustees, within or outside the state, of such properties, rights,
1102 powers and duties in trust as such utility authority may
1103 determine;

1104 (m) Covenant as to the appointing and providing for the
1105 duties and obligations of a paying agent or paying agents or other
1106 fiduciaries within or outside the state;



1107 (n) Make all other covenants and to do any and all such
1108 acts and things as may be necessary or convenient or desirable in
1109 order to secure its bonds, or in the absolute discretion of the
1110 utility authority tend to make the bonds more marketable,
1111 notwithstanding that such covenants, acts or things may not be
1112 enumerated herein; it being the intention hereof to give any
1113 utility authority power to do all things in the issuance of bonds
1114 and in the provisions for security thereof which are not
1115 inconsistent with the Constitution of the state; and

1116 (o) Execute all instruments necessary or convenient in
1117 the exercise of the powers herein granted or in the performance of
1118 covenants or duties, which may contain such covenants and
1119 provisions, as any purchaser of the bonds of the utility authority
1120 may reasonably require.

1121 **SECTION 24.** The utility authority may, in any authorizing
1122 resolution of the board of directors, trust indenture or other
1123 security instrument relating to its bonds issued pursuant to this
1124 act, provide for the appointment of a trustee who shall have such
1125 powers as are provided therein to represent the registered owners
1126 of any issue of bonds in the enforcement or protection of their
1127 rights under any such resolution, trust indenture or security
1128 instrument. The utility authority may also provide in such
1129 resolution, trust indenture or other security instrument that the
1130 trustee, or in the event that the trustee so appointed shall fail
1131 or decline to so protect and enforce such registered owners'



1132 rights then such percentage of registered owners as shall be set
1133 forth in, and subject to the provisions of, such resolution, trust
1134 indenture or other security interest, may petition the court of
1135 proper jurisdiction for the appointment of a receiver of the
1136 utility authority's systems, the revenues of which are pledged to
1137 the payment of the principal of and interest on the bonds of such
1138 registered owners. Such receiver may exercise any power as may be
1139 granted in any such resolution, trust indenture or security
1140 instrument to enter upon and take possession of, acquire,
1141 construct or reconstruct or operate and maintain such system, fix
1142 charges for services of the system and enforce collection thereof,
1143 and receive all revenues derived from such system or facilities
1144 and perform the public duties and carry out the contracts and
1145 obligations of such utility authority in the same manner as such
1146 utility authority itself might do, all under the direction of such
1147 court.

1148 **SECTION 25.** (1) The exercise of the powers granted by this
1149 act will be in all respects for the benefit of the people of the
1150 state, for their well-being and prosperity and for the improvement
1151 of their social and economic conditions, and the utility authority
1152 shall not be required to pay any tax or assessment on any property
1153 owned by the utility authority under the provisions of this act or
1154 upon the income therefrom; nor shall the utility authority be
1155 required to pay any recording fee or transfer tax of any kind on
1156 account of instruments recorded by it or on its behalf.



1157 (2) Any bonds issued by the utility authority under and
1158 pursuant to the provisions of this act, their transfer and the
1159 income therefrom shall at all times be free from taxation by the
1160 state or any local unit or political subdivision or other
1161 instrumentality of the state, excepting inheritance and gift
1162 taxes.

1163 **SECTION 26.** All bonds issued under the provisions of this
1164 act shall be legal investments for trustees, other fiduciaries,
1165 savings banks, trust companies and insurance companies organized
1166 under the laws of the State of Mississippi; and such bonds shall
1167 be legal securities which may be deposited with and shall be
1168 received by all public officers and bodies of the state and all
1169 municipalities and other political subdivisions thereof for the
1170 purpose of securing the deposit of public funds.

1171 **SECTION 27.** The state hereby covenants with the registered
1172 owners of any bonds of any utility authority that so long as the
1173 bonds are outstanding and unpaid the state will not limit or alter
1174 the rights and powers of any utility authority under this act to
1175 conduct the activities referred to herein in any way pertinent to
1176 the interests of the bondholders, including, without limitation,
1177 such utility authority's right to charge and collect rates, fees,
1178 assessments and charges and to fulfill the terms of any covenants
1179 made with the registered owners of the bonds, or in any other way
1180 impair the rights and remedies of the registered owners of the
1181 bonds, unless provision for full payment of such bonds, by escrow



1182 or otherwise, has been made pursuant to the terms of the bonds or
1183 the resolution, trust indenture or security interest securing the
1184 bonds.

1185 **SECTION 28.** For the purposes of satisfying any temporary
1186 cash flow demands and deficiencies, and to maintain a working
1187 balance for the utility authority, the county, municipalities or
1188 public agencies within the geographic boundaries of the utility
1189 authority, or other persons, subject to their lawful authority to
1190 do so, are authorized to advance, at any time, such funds which,
1191 in its discretion, are necessary, or borrow such funds by issuance
1192 of notes, for initial capital contribution and to cover start-up
1193 costs until such times as sufficient bonds, assets and revenues
1194 have been secured to satisfy the needs of the utility authority
1195 for its management, operation and formation. To this end, the
1196 county, municipality, public agency or person, subject to their
1197 lawful authority to do so, shall advance such funds, or borrow
1198 such funds by issuance of notes, under such terms and conditions
1199 as may be provided by resolution of the governing body, or other
1200 persons as defined in this act, subject to their lawful authority
1201 to do so, except that each such resolution shall state:

- 1202 (a) The need for the proceeds advanced or borrowed;
- 1203 (b) The amount to be advanced or the amount to be
1204 borrowed;



1205 (c) The maximum principal amount of any note issued the
1206 interest rate or maximum interest rate to be incurred, and the
1207 maturity date of said note;

1208 (d) In addition, the governing body, or other persons
1209 as defined in this act, subject to their lawful authority to do
1210 so, may arrange for lines of credit with any bank, firm or person
1211 for the purpose of providing an additional source of repayment for
1212 notes issued pursuant to this section. Amounts drawn on a line of
1213 credit may be evidenced by negotiable or nonnegotiable notes or
1214 other evidences of indebtedness and contain such terms and
1215 conditions as the governing body, or other persons as defined in
1216 this act, subject to their lawful authority to do so, may
1217 authorize in the resolution approving the same;

1218 (e) The governing body of the county, municipalities or
1219 other persons as defined in this act, subject to their lawful
1220 authority to do so, may authorize the repayment of such advances,
1221 notes, lines of credit and other debt incurred under this section,
1222 along with all costs associated with the same, including, but not
1223 limited to, rating agency fees, printing costs, legal fees, bank
1224 or trust company fees, line of credit fees and other charges to be
1225 reimbursed by the utility authority under such terms and
1226 conditions as are reasonable and are to be provided for by
1227 resolution of the governing body, or terms agreed upon with other
1228 persons as defined in this act, subject to their lawful authority
1229 to do so;



1230 (f) In addition, the governing body of the county,
1231 municipality or public agency may lease or donate office space and
1232 equipment to the utility authority under such terms and conditions
1233 as are reasonable and are to be provided for by resolution of the
1234 governing body, or terms agreed upon by the utility authority.

1235 **SECTION 29.** This act being necessary for the welfare of the
1236 state and its inhabitants shall be liberally construed to effect
1237 the purposes thereof. If any section, provision, paragraph,
1238 sentence, phrase, or word of this act shall be held invalid by any
1239 court of competent jurisdiction, the remainder of this act shall
1240 not be affected thereby.

1241 **SECTION 30.** Sections 1 through 29 of this act shall be
1242 codified in Title 77, Mississippi Code of 1972.

1243 **SECTION 31.** This act shall take effect and be in force from
1244 and after July 1, 2023.

