

By: Senator(s) Blackwell, Parker, McLendon

To: Local and Private

SENATE BILL NO. 2138

1 AN ACT TO AMEND CHAPTER 1039, LOCAL AND PRIVATE LAWS OF 1999,
2 AS LAST AMENDED BY CHAPTER 948, LOCAL AND PRIVATE LAWS OF 2016, TO
3 INCREASE FROM \$40,000,000.00 TO \$80,000,000.00 THE AUTHORITY OF
4 THE DESOTO COUNTY REGIONAL UTILITY AUTHORITY TO BORROW MONEY AND
5 ISSUE REVENUE BONDS; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Chapter 1039, Local and Private Laws of 1999, as
8 amended by Chapter 940, Local and Private Laws of 2002, as amended
9 by Chapter 939, Local and Private Laws of 2003, as amended by
10 Chapter 948, Local and Private Laws of 2016, is amended as
11 follows:

12 Section 1. The purpose of this act is to authorize a
13 cooperative effort by any contiguous area situated within DeSoto
14 County, including the areas situated within the corporate
15 boundaries of any existing municipality and other eligible
16 municipalities, public agencies and political subdivisions, for
17 the acquisition, construction and operation of user funded
18 sewerage systems, sewage treatment systems, and water, wastewater
19 and wastewater treatment systems, in order to prevent and control



20 the pollution of the waters in this state by the creation of a
21 DeSoto County Regional Utility Authority. This act may be cited
22 as the "DeSoto County Regional Utility Authority Act."

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

25 (a) "Authority" means the DeSoto County Regional
26 Utility Authority created under this act to serve the metropolitan
27 area or a designated portion thereof, as set forth in the
28 resolution creating or expanding the authority.

29 (b) "Board of directors" means the Board of Directors
30 of the DeSoto County Regional Utility Authority.

31 (c) "Bonds" means revenue bonds and interim notes
32 having a maturity of three (3) years or less, and other
33 certificates of indebtedness of the district issued under the
34 provisions of this act.

35 (d) "Groundwater" means that water occurring beneath
36 the surface of the ground.

37 (e) "Groundwater system" means a system for the
38 drainage, conservation, development, utilization, impoundment,
39 diversion, flowage, distribution and disposal of groundwater.

40 (f) "Horn Lake Creek Basin Interceptor Sewer District"
41 means the entity created by Chapter 627, Local and Private Laws of
42 1971, as amended by Chapter 952, Local and Private Laws of 1980,
43 as amended by Chapter 880, Local and Private Laws of 1990, as
44 amended by Chapter 910, Local and Private Laws of 1992.



45 (g) "Member agency" means the unincorporated contiguous
46 area of DeSoto County and any public agency which elects to become
47 a constituent member of the authority upon its organization, and
48 which is admitted to the authority by affirmative vote of the
49 board of directors of such authority, and pursuant to the
50 resolution creating the authority in accordance with the
51 provisions of Section 3 of this act.

52 (h) "Metropolitan area" means all of the area or
53 territory lying within DeSoto County, Mississippi, as more
54 accurately described in Section 19-1-33, and any such additional
55 area to be served by the authority, whether or not such area be
56 contiguous; provided, however, that the metropolitan area shall
57 not include any area located within the corporate limits of a
58 municipality which is not a member agency, nor shall it include
59 the Horn Lake Creek Basin Interceptor Sewer District, should it
60 elect not to be a member agency of the authority.

61 (i) "Metropolitan area plan" means a comprehensive plan
62 for sewerage systems and sewage treatment systems, wastewater and
63 wastewater treatment systems within the metropolitan area,
64 consistent with standards established pursuant to applicable
65 federal and state law.

66 (j) "Municipality" means any incorporated city, town,
67 or village of the State of Mississippi, whether operating under
68 general law or under special charter, lying wholly or partly
69 within the metropolitan area.



70 (k) "Person" means the State of Mississippi, a
71 municipality, any public agency or any other city, town, village
72 or political subdivision or governmental agency of the State of
73 Mississippi or of the United States of America, or any private
74 utility, individual, copartnership, association, firm, trust,
75 estate or any other entity whatsoever. For the purposes of this
76 act, the term "person" shall also include the Horn Lake Creek
77 Basin Interceptor Sewer District.

78 (l) "Public agency" means any county, municipality, or
79 persons, as are defined herein, lying wholly or partially within
80 the metropolitan area, any state board or commission owning or
81 operating properties within a metropolitan area, a district
82 created pursuant to Sections 51-9-101 through 51-9-163 or Sections
83 19-5-151 through 19-5-257, or any other political subdivision of
84 the State of Mississippi lying wholly or partially within a
85 metropolitan area and having the power to own and operate
86 waterworks, water supply systems, sewerage systems, treatment
87 facilities, sewage treatment systems, or other facilities or
88 systems for the collection, transportation, treatment and
89 treatment of water, sewerage and wastewater.

90 (m) "Sewage treatment system" means a system for
91 collecting, transferring, treating and disposing of waste,
92 including, but not limited to, sewerage systems and treatment
93 facilities, as these terms are defined in this act.



94 (n) "Sewerage system" means pipelines or conduits,
95 canals, pumping stations and force mains, and all other
96 structures, devices, facilities and appliances appurtenant
97 thereto, used for collecting or conducting waste to an ultimate
98 point for treatment.

99 (o) "Treatment facilities" means any plant, treatment
100 field, lagoon, pumping station, constructing drainage ditch or
101 surface water intercepting ditch, canal, incinerator, area devoted
102 to sanitary landfills or other works not specifically mentioned
103 herein, installed for the purpose of treating, neutralizing,
104 stabilizing or disposing of waste or facilities to provide cooling
105 water to collect, control and dispose of waste heat.

106 (p) "Treatment systems" means the collective or
107 individual systems for collecting, transferring, treating and
108 disposing of sewage, water, wastewater, and groundwater, or its
109 particular individual substance, and including all treatment
110 facilities, pipelines, conduits, pumping stations and all other
111 structures, devices and appliances appurtenant thereto, including
112 land and right-of-way thereto.

113 (q) "Wastewater" means water being disposed of by any
114 person and which is contaminated with waste or sewage, including
115 industrial, municipal, recreational and any other wastewater that
116 may cause impairment of the quality of the waters in the state.

117 (r) "Water supply system" means pipelines, conduits,
118 pumping stations and all other structures, devices and appliances



119 appurtenant thereto, including land and right-of-way thereto, for
120 use for transporting water to a point of ultimate use.

121 (s) "Waterworks" means all works, plants or other
122 facilities necessary for the purpose of collecting, storing,
123 treating and transporting water for domestic, municipal,
124 commercial, industrial, agricultural and manufacturing purposes,
125 including open channels.

126 Section 3. (1) The formation of the DeSoto County Regional
127 Utility Authority, hereinafter referred to as the authority, shall
128 be conducted in accordance with the provisions of this section.
129 The DeSoto County Board of Supervisors is authorized to file a
130 petition with the Chancery Court of DeSoto County, for approval of
131 the formation of the DeSoto County Regional Utility Authority,
132 which may be joined in by any municipality or public agency lying
133 wholly or partly within the metropolitan area, for the
134 organization of the authority in this state. When organized in
135 accordance with the provisions of this act, the authority shall be
136 a political subdivision of the State of Mississippi and shall have
137 the powers granted to the authority under this act.

138 (2) (a) Before the DeSoto County Board of Supervisors files
139 its petition with the chancery court, one (1) of the following
140 must occur:

141 (i) A petition for the organization of a DeSoto
142 County Regional Utility Authority must be presented to the DeSoto
143 County Board of Supervisors, signed by not less than twenty-five



144 (25) owners of real property residing within the boundaries of the
145 proposed district; or

146 (ii) A resolution of the DeSoto County Board of
147 Supervisors must be brought forth upon motion of the board.

148 (b) The petition or resolution shall include the
149 following:

150 (i) A statement of the necessity for the service
151 or services to be supplied by the proposed district;

152 (ii) The proposed corporate name for the district;

153 (iii) The proposed boundaries of the district;

154 (iv) An estimate of the cost of the acquisition or
155 construction of the facilities to be operated by the district with
156 disclosure that the estimate shall not serve as a limitation upon
157 the financing of the creation, operation, improving upon or
158 extending of the authority;

159 (v) A statement of whether the DeSoto County Board
160 of Supervisors intends to levy a tax in support of the authority;
161 and

162 (vi) A statement of whether the DeSoto County
163 Board of Supervisors intends to make assessments in support of the
164 authority.

165 (3) Any petition for formation shall be signed in person by
166 the petitioners, shall set forth their respective addresses, and
167 shall be accompanied by a sworn statement that each signature is
168 the signature of the person it purports to be and that each person



169 so signing was at the time of signing an owner of real property
170 within DeSoto County.

171 (4) The board of supervisors may initiate the petition
172 process to incorporate the authority by adopting a resolution of
173 the board of supervisors to have the appropriate petition prepared
174 and presented to the public for signature as set forth above.

175 (5) A properly signed petition shall be filed with the
176 DeSoto County Board of Supervisors. Upon the filing of the
177 petition with the DeSoto County Board of Supervisors, or upon the
178 approval of the DeSoto County Board of Supervisors of the
179 appropriate resolution, the DeSoto County Board of Supervisors
180 shall fix a time and place for a public hearing upon the question
181 of the public convenience and necessity of the incorporation of
182 the proposed authority. The hearing shall not be more than thirty
183 (30) days after the filing of the petition. The date of the
184 hearing, the place at which it shall be held, the proposed
185 boundaries of said district, and the purpose of the hearing, shall
186 be set forth in a notice to be signed by the Clerk of the DeSoto
187 County Board of Supervisors to be published in a newspaper having
188 general circulation for a period of once a week for at least three
189 (3) consecutive weeks before the date set forth for the hearing.
190 The first such publication shall be made not less than twenty-one
191 (21) days before the date of such hearing and the last publication
192 shall be made not more than seven (7) days before the date of such
193 hearing.



194 (6) Upon the public hearing, should the DeSoto County Board
195 of Supervisors determine that the public convenience and necessity
196 require the creation of the district, and that the creation of the
197 district is economically sound and desirable, the DeSoto County
198 Board of Supervisors shall adopt a resolution making the aforesaid
199 findings and declaring its intention to create the authority on a
200 date to be specified and designating the name of the proposed
201 district and its territorial limits. The resolution shall further
202 state the authority of the authority to levy taxes and make
203 assessments.

204 (7) A certified copy of the resolution as adopted by the
205 DeSoto County Board of Supervisors shall be published in a
206 newspaper having a general circulation within such proposed
207 district once a week for at least three (3) consecutive weeks
208 before the date specified in such resolution as the date upon
209 which such DeSoto County Board of Supervisors intends to create
210 the authority. The first such publication shall be made not less
211 than twenty-one (21) days before the date specified, and the last
212 such publication shall be made not more than seven (7) days before
213 such date.

214 (8) If twenty percent (20%) or one thousand five hundred
215 (1,500), whichever is less, of the qualified electors of the
216 proposed district file a written petition with the DeSoto County
217 Board of Supervisors on or before the date specified for the
218 creation of the authority, protesting against the creation of such



219 district, the DeSoto County Board of Supervisors shall call an
220 election on the question of the creation of such district. Such
221 election shall be held and conducted by the election commissioners
222 of the county as nearly as practicable in accordance with the
223 general laws governing elections, the election commissioners shall
224 determine which of the qualified electors of such county who
225 reside within the proposed metropolitan area plan shall be
226 entitled to vote in such election. Notice of the election setting
227 forth the time, place or places, and purpose of such election
228 shall be published by the Clerk of the DeSoto County Board of
229 Supervisors, within the time periods and in the manner provided in
230 Section 3(5) of this act for the publication of the resolution of
231 intent. The ballots to be prepared and used at the election shall
232 be in substantially the following form:

233 FOR CREATION OF DESOTO COUNTY REGIONAL UTILITY AUTHORITY
234 DISTRICT ()
235 AGAINST CREATION OF DESOTO COUNTY REGIONAL UTILITY AUTHORITY
236 DISTRICT ()

237 Each voter shall vote by placing a cross mark (x) opposite his
238 choice.

239 If three-fifths (3/5) of those voting in the election for the
240 creation of the authority vote in favor of the creation of the
241 authority, the DeSoto County Board of Supervisors shall adopt a
242 resolution creating the district as described in the resolution of
243 intent.



244 (9) Upon adopting a resolution creating the authority, the
245 DeSoto County Board of Supervisors shall transmit to the DeSoto
246 County Chancery Court Clerk the resolution of the DeSoto County
247 Board of Supervisors approving the creation of the authority, a
248 copy of all affidavits verifying the publication of all required
249 notices, the minutes of any hearings before the DeSoto County
250 Board of Supervisors regarding the formation of the authority, and
251 the results of any elections held under Section 3(8) of this act.
252 The DeSoto County Chancery Court Clerk shall then file the
253 documents, enter them on the docket of the DeSoto County Chancery
254 Court and promptly notify the DeSoto County Chancellor in writing
255 that the papers are on file and the cause has been docketed. The
256 chancellor shall then notify the chancery court clerk to set the
257 matter for hearing at some future date, not less than ten (10)
258 days thereafter, and the clerk shall give not less than five (5)
259 days' notice by making at least one (1) publication in some paper
260 published in DeSoto County, addressed to the taxpayers and
261 qualified electors of the proposed metropolitan area plan and all
262 other persons interested. The notice shall state the date, place
263 and time of such hearing; state that a petition has been filed to
264 organize the DeSoto County Regional Utility Authority under the
265 provisions of this act, describe the proposed metropolitan area,
266 and command that any interested persons appear before the DeSoto
267 County Chancery Court or the chancellor in vacation on the date
268 and hour of the hearing to show cause, if any they can, why the



269 proposed authority should not be organized and established as set
270 forth in the resolution of the DeSoto County Board of Supervisors.

271 If on the day set for hearing there is no written objection
272 filed to the formation authority, a decree approving the validity
273 of the formation of the authority shall be entered by the
274 chancellor, and if the chancellor be not present, the clerk shall
275 forward him the decree as prepared by the DeSoto County Board of
276 Supervisors board attorney for his signature, and shall enter the
277 decree upon his minutes in vacation. If no written objection has
278 been filed as to the formation of the authority then the
279 validation decree shall be final and forever conclusive from its
280 date, and no appeal whatever shall lie therefrom.

281 If at the time of hearing, any taxpayers, qualified electors
282 of the proposed metropolitan area plan or other persons interested
283 appear and file, or have filed written objection to the formation
284 of the authority, then the chancellor, or the DeSoto County
285 Chancery Court Clerk if the chancellor be not present, shall set
286 the case over for another day convenient to the chancellor, not
287 less than ten (10) days thereafter, and shall notify the DeSoto
288 County Board of Supervisors board attorney to appear and attend
289 the hearing. At the hearing, the chancellor may hear additional
290 competent, relevant and material evidence as the chancellor, in
291 his discretion, deems necessary, pursuant to the applicable rules
292 to such evidence in the chancery court, so as to inquire into the



293 validity of the formation of the authority, and enter a decree in
294 accordance with his findings.

295 (10) When so organized, the authority shall have the power
296 to sue and be sued, provided that the authority shall not be
297 liable and shall be immune from suit at law or in the equity on
298 account of any wrongful or tortious act or omission, including
299 libel, slander or defamation, by it, or any such act or omission
300 by any employee of the authority, subject to and in accordance
301 with the provisions of Sections 11-46-1 through 11-46-19.

302 (11) Upon proper petition to the Chancery Court of DeSoto
303 County, by the board of directors of the authority, the
304 metropolitan area of the authority may be expanded or enlarged at
305 any time by decree of the Chancery Court of DeSoto County, if
306 after timely publication of notice and a hearing held before the
307 chancellor, in the manner provided in this section, the chancellor
308 shall render a decree finding that the public necessity requires
309 such expansion.

310 Section 4. All powers of the authority shall be exercised by
311 a board of directors consisting of seven (7) members, to be
312 selected and composed as follows:

313 (a) The governing body of each member agency of the
314 authority shall appoint one (1) person to serve on the board of
315 directors of the authority, with no more than five (5) persons
316 being appointed by said member agencies. Further, the DeSoto
317 County Board of Supervisors shall appoint that number of persons



318 necessary to fill the board of directors should less than five (5)
319 be appointed by the member agencies, however, there shall be at
320 all times a minimum of two (2) at-large members appointed by the
321 DeSoto County Board of Supervisors.

322 (b) Upon their initial appointment, one (1) of the
323 directors shall be appointed for a term of one (1) year; one (1)
324 of the directors shall be appointed for a term of two (2) years;
325 one (1) of the directors shall be appointed for a term of three
326 (3) years; one (1) of the directors shall be appointed for a term
327 of four (4) years; one (1) of the directors shall be appointed for
328 a term of five (5) years. Additionally, of those appointees
329 designated as at-large appointees by the DeSoto County Board of
330 Supervisors, one (1) of the at-large directors shall be appointed
331 for a term of two (2) years; and one (1) of the at-large directors
332 shall be appointed for a term of four (4) years. At the
333 expiration of the initial terms, each director shall thereafter be
334 appointed to a term of four (4) years. Any vacancy arising by the
335 expiration of a director's term, or a vacancy created by the
336 removal of a director for any other reason, shall be filled by
337 appointment made by the party originally responsible for the
338 appointment of the director vacating his or her appointment.

339 (c) Notwithstanding the appointive authority herein
340 granted to the DeSoto County Board of Supervisors, its legal and
341 actual responsibilities, authority and function, subsequent to the



342 creation of the authority, shall be specifically limited to such
343 appointive function and responsibilities.

344 (d) The operation, management, abolition, or
345 dissolution of the authority, and all such other matters in
346 connection therewith, shall be vested solely and only in the board
347 of directors to the specific exclusion of the DeSoto County Board
348 of Supervisors, and the operation, management, abolition, or
349 dissolution of the authority shall be accomplished only by the
350 authority of the board of directors.

351 (e) The board of directors of the authority shall elect
352 annually from its number a president and vice president of the
353 district and such other officers as, in the judgment of the board,
354 are necessary. The president shall be the chief executive officer
355 of the authority and the presiding officer of the board, and shall
356 have the same right to vote as any other director. The vice
357 president shall perform all duties and exercise all powers
358 conferred by this act upon the president when the president is
359 absent or fails or declines to act, except the president's right
360 to vote. The board also shall appoint a secretary and a treasurer
361 who may or may not be members of the board, and it may combine
362 those offices. The treasurer shall give bond in the sum of not
363 less than Fifty Thousand Dollars (\$50,000.00) as set by the board
364 of directors, and each director may be required to give bond in
365 the sum of not less than Ten Thousand Dollars (\$10,000.00), with
366 sureties qualified to do business in this state, and the premiums



367 on said bonds shall be an expense of such authority. Each such
368 bond shall be payable to the State of Mississippi; the condition
369 of each such bond shall be that the treasurer or director will
370 faithfully perform all duties of his office and account for all
371 money or other assets which shall come into his custody as
372 treasurer or director of the authority.

373 (f) The members of the board of directors of the
374 authority shall serve without salary, but shall be entitled to
375 receive per diem pay as provided for in Section 25-3-69. Further,
376 they shall be reimbursed their actual travel and hotel expenses as
377 provided in Section 25-3-41, incurred while in the performance of
378 their duties as members of the board of directors of the
379 authority, to be paid on an itemized statement approved by the
380 Department of Finance and Administration. Expenses shall be paid
381 from the available funds of the authority.

382 Section 5. (1) The authority may acquire a credit card
383 which may be used to pay expenses incurred by members of the board
384 of directors of the authority and authority employees when
385 traveling in or out of the state in the performance of their
386 official duties. The authority secretary shall maintain complete
387 records of all credit card numbers and all receipts and other
388 documents relating to the use of such credit card.

389 (2) The members of the board of directors of the authority
390 and authority employees shall furnish receipts for the use of such
391 credit card when used to the authority clerk who shall submit a



392 written report to the authority. The report shall include an
393 itemized list of all expenditures and use of the credit card, and
394 such expenditures may be allowed for payment by the authority in
395 the same manner as other items on the claims docket.

396 (3) The issuance of a credit card to the authority under the
397 provisions of this section does not authorize any member of the
398 board of directors of the authority or authority employees to use
399 the credit card to make any expenditure that is not otherwise
400 authorized by law. Any member of the board of directors of the
401 authority or authority employees who uses the credit card to make
402 such expenditures that are not approved for payment by the
403 authority shall be personally liable for the expenditure and shall
404 reimburse the authority. The authority employee or member of the
405 board of directors of the authority shall be subject to all
406 interest and fees and other charges related to the collection of
407 expenditures not approved by the authority.

408 (4) The authority is also authorized to use such credit card
409 to pay the travel expenses incurred by the chief executive officer
410 of any of the political jurisdictions that make up the membership
411 of the authority, upon a finding by the board of directors of the
412 authority that the inclusion of such chief executive officer will
413 assist the board of directors in furthering their program of
414 development when traveling in or out of the state in the
415 performance of their official duties, and following the same



416 procedures concerning the submission of receipts and the
417 maintenance of records set forth in this section.

418 Section 6. (1) Except as may otherwise be provided for in
419 this act, all business of the authority shall be transacted by
420 vote of the board of directors.

421 (2) Except as provided in Section 4 and Section 11, all
422 business of the authority shall be transacted by a simple majority
423 affirmative vote of the total membership of the board of directors
424 and by a concurrent vote of the directors representing the simple
425 majority of the total flowage usage of the treatment systems of
426 the authority during the preceding fiscal year. The quorum for
427 any meeting of the board of directors shall be a simple majority
428 of the total membership of the board of directors and the presence
429 of directors representing a simple majority of the proportional
430 use of the treatment systems of the authority during the fiscal
431 year.

432 Section 7. (1) The authority is authorized and empowered to
433 acquire water and sewer trunk lines; to acquire, construct,
434 improve, enlarge, extend, repair, operate and maintain one or more
435 of its systems used for the collection, transportation, treatment
436 and treatment of water, sewerage and wastewater; and to make
437 contracts with any person in furtherance thereof; and to make
438 contracts with any person, under the terms of which the authority,
439 within its designated metropolitan area, will collect, transport,
440 treat or dispose of water, sewerage and wastewater for such



441 person. The authority also may enter into contracts with any
442 person to design and construct any water, sewerage or wastewater,
443 treatment systems, or any other of its treatment facilities or
444 systems and thereafter to purchase, lease or sell, by installments
445 over such terms as may be deemed desirable, reasonable and
446 necessary, or otherwise, any such system or systems. The
447 authority is authorized to enter into operating agreements with
448 any person, for such terms and upon such conditions as may be
449 deemed desirable, for the operation of any water, sewerage or
450 wastewater, treatment systems, or other of its treatment
451 facilities or systems; and the authority may lease to or from any
452 person, for such term and upon such conditions as may be deemed
453 desirable, any water, sewerage or wastewater, collection,
454 transportation, treatment, or its other treatment facilities or
455 systems. Any such contract may contain provisions requiring any
456 public agency or other person to regulate the quality and strength
457 of materials to be handled by the respective treatment system or
458 systems and also may provide that the authority shall have the
459 right to use any streets, alleys and public ways and places within
460 the jurisdiction of a public agency or other person during the
461 term of the contract.

462 (2) The authority shall have the duty and responsibility to
463 exercise general supervision over the design, construction,
464 operation and maintenance of water, sewerage or wastewater
465 treatment systems; to adopt rules governing the design,



466 construction or installation, operation and maintenance of water,
467 sewerage or wastewater treatment systems; to adopt rules
468 establishing performance standards for water, sewerage or
469 wastewater treatment systems and rules concerning the operation
470 and maintenance of the same. Such rules and regulations may
471 include the implementation of a standard application form for the
472 installation, operation and maintenance of such treatment systems;
473 application review; approval or denial procedures for any proposed
474 system; inspection, monitoring, and reporting guidelines; and
475 enforcement procedures.

476 (3) No owner, lessee, developer or person shall construct or
477 place a residence, building, facility or development which may
478 require the installation of a water, sewerage or wastewater
479 treatment system, nor shall any owner, lessee, developer or person
480 design, construct or install such a system, without having first
481 submitted a notice of intent to the authority. Upon receipt of
482 the notice of intent, the board of directors shall provide the
483 party giving notice with complete information regarding the rules,
484 regulations and guidelines for the design, construction,
485 installation, operation and maintenance of water, sewerage and
486 wastewater treatment systems. No water, sewerage or wastewater
487 treatment systems shall be installed without proof of the
488 submission of the notice of intent required by this section and
489 the approval of the same by the board of directors.



490 (4) Within ten (10) working days following the receipt of
491 complete information as required by the rules, regulations and
492 guidelines for the design, construction, installation, operation
493 and maintenance of water, sewerage and wastewater treatment
494 systems, as applicable, by an owner, lessee, developer or person
495 of any lot or tract of land, the board of directors shall make
496 recommendations to the owner, lessor, developer or person as to
497 the type or types of systems suitable for installation and
498 compatible with the existing treatment systems of the authority.
499 Approval by the board of directors of any system is required
500 before the installation, operation or maintenance of any system,
501 and no owner, lessee, developer or person shall design, construct
502 or install a system that does not comply with this act; however,
503 the board of directors may grant variances from the requirements
504 of this act as deemed necessary and appropriate. Any owner,
505 lessee, developer or person responsible for the design,
506 construction or installation of a system shall sign and file with
507 the authority an affidavit that the system complies with this act
508 as a part of the complete information filing required in this
509 subsection (4).

510 (5) Nothing in this act shall preclude a professional
511 engineer from providing services for the design, construction or
512 installation of any water, sewerage and wastewater treatment
513 systems. However, any such engineer shall notify the authority in
514 writing of those services provided and shall stamp the appropriate



515 documentation with that professional's seal certifying the
516 approval of the board of directors of the design, construction and
517 installation.

518 (6) Any system of any municipality, public agency or other
519 persons which becomes connected with, or tied into, the treatment
520 systems of the authority, shall be subject to its jurisdiction and
521 the terms of this act.

522 Section 8. The authority, through its board of directors, in
523 addition to any and all powers now or hereafter granted to it, is
524 hereby empowered:

525 (a) To develop and maintain long-range planning for
526 collection and treatment systems of water, sewerage, wastewater
527 and groundwater from within the metropolitan area and for
528 pollution abatement.

529 (b) Any municipality, public agency or other person
530 being a member agency, or being connected with, or tied into, the
531 treatment systems of the collection, transportation and treatment
532 may agree to use its respective eminent domain powers for the
533 benefit of the authority and at the cost of the authority as set
534 forth hereinafter in this paragraph (b) to acquire such property,
535 easements, rights-of-way and other property interests as may be
536 required and requested by the board of directors.

537 The authority may reimburse or pay all costs, including
538 professional fees, along with damages awarded in connection with
539 the exercise of such eminent domain power to such member agency or



540 other entity which has agreed to exercise its eminent domain
541 powers under the terms of this act.

542 The amount and character of interest in land, other property,
543 and easements thus to be acquired shall be determined by the board
544 of directors, and their determination shall be conclusive and
545 shall not be subject to attack in the absence of manifold abuse of
546 discretion or fraud on the part of such board in making such
547 determination. However:

548 (i) In acquiring lands, either by negotiation or
549 eminent domain through action of a member agency, the authority
550 shall not acquire mineral rights or royalties, provided that sand
551 and gravel shall not be considered as minerals within the meaning
552 of this section;

553 (ii) No person or persons owning the drilling
554 rights or the right to share in production shall be prevented from
555 exploring, developing or producing oil or gas with necessary
556 rights-of-way for ingress and egress, pipelines and other means of
557 transporting such interests on any land or interest thereon of the
558 authority held or used for the purposes of this act, but any such
559 activities shall be subject to and secondary to such reasonable
560 regulations by the board of directors as will adequately protect
561 the systems of the authority contemplated by this act; and

562 (iii) In acquiring lands, either by negotiation or
563 eminent domain through action of a member agency, the authority
564 shall acquire only any interest or rights in such facilities,



565 components and systems which are part of the regional plan
566 implemented by the authority.

567 (c) To acquire the necessary relocation or rerouting of
568 roads and highways, railroad, telephone and telegraph lines and
569 properties, electric power lines, gas pipelines and related
570 facilities, or to require the anchoring or other protection of any
571 of these, provided fair compensation is first paid to the owners
572 thereof or agreement is had with such owners regarding the payment
573 of the cost of such relocation, and to acquire easements or
574 rights-of-way for such relocation or rerouting and to convey the
575 same to the owners of the property being relocated or rerouted in
576 connection with the purpose of this act.

577 (d) To enter into contracts with any person or any
578 public agency, including, but not limited to, contracts authorized
579 by Section 9 of this act, in furtherance of any of the purposes
580 authorized by this act upon such consideration as the board of
581 directors and such person may agree. Any such contract may extend
582 over any period of time including a term which extends beyond the
583 term of the then majority of the existing board members,
584 notwithstanding any provision or rule of law to the contrary; may
585 be upon such terms as the parties thereto shall agree; and may
586 provide that it shall continue in effect until bonds specified
587 therein, refunding bonds issued in lieu of such bonds, and all
588 other obligations specified therein are paid or terminated. Any



589 such contract shall be binding upon the parties thereto according
590 to its terms.

591 (e) To make and enforce, and from time to time amend
592 and repeal, bylaws and rules and regulations for the management of
593 its business and affairs and for the construction, use,
594 maintenance and operation of any of the systems under its
595 management and control and any other of its properties.

596 (f) To employ staff and other personnel, including
597 attorneys, engineers and consultants as may be necessary to the
598 functioning of the authority. The board of directors, in its
599 discretion, may employ a general manager having the authority to
600 employ and fire employees of the authority.

601 (g) To apply for, accept and utilize grants and other
602 funds from any source for any purpose necessary in support of the
603 purpose of this act.

604 (h) To establish and maintain rates and charges for the
605 use of the services of such of the systems and facilities within
606 the control of the authority, and within the metropolitan area,
607 and from time to time to adjust such rates, to the end that the
608 revenues therefrom will be sufficient at all times to pay the
609 expenses of operating and maintaining such of its works,
610 facilities and treatment systems and all of the municipality's
611 obligations under any contract or bond resolution with respect
612 thereto.



613 (i) To adopt rules and regulations necessary to carry
614 out the implementation of the metropolitan area plan and to assure
615 the payment of each participating person or public agency of its
616 proportionate share of the costs for use of any of the systems and
617 facilities of the authority.

618 (j) To refuse to receive waste from any public agency
619 or subdivision thereof not currently using any system and which
620 may be acquired or within the control of the authority, or any
621 other person that does not comply with the provisions of the
622 metropolitan area plan applicable to the particular area within
623 which such public agency or subdivision thereof or any other
624 person is located.

625 (k) To accept industrial wastewater from within the
626 boundaries of the authority for treatment and to require the
627 pretreatment of same when, in the opinion of the authority, such
628 pretreatment is necessary.

629 (l) To adopt all necessary and reasonable rules and
630 regulations to carry out and effectuate any waste treatment
631 systems or treatment system control plan of the authority as
632 adopted for the metropolitan area, as contractually authorized.

633 (m) To sell or lease to any person any surplus property
634 owned by the authority upon such conditions as may be deemed
635 desirable by the parties.

636 (n) So long as any indebtedness on the systems of the
637 authority remains outstanding, to require by contract with a



638 public agency, or other person, that all water, sewerage and
639 wastewater within the metropolitan area be disposed of through the
640 appropriate treatment system which comprise a part of the
641 metropolitan area plan, to the extent that the same may be
642 available, but no public agency shall be precluded from
643 constructing, operating and maintaining its own such system after
644 the current indebtedness owing on the system as of the effective
645 date of this act is paid in full.

646 (o) The authority shall not control or operate as part
647 of its authority the local retail wastewater and sewerage services
648 and shall not provide or be responsible for direct servicing of
649 said services to any residences, businesses and individuals.

650 Section 9. (1) Any public agency, pursuant to a duly
651 adopted resolution of the governing authority of such public
652 agency, may enter into contracts with the authority under the
653 terms of which the authority, within its designated metropolitan
654 area, will manage, operate, and contract for usage of its
655 treatment systems and treatment facilities, or other services, for
656 such person or public agency. Any public agency may also enter
657 into contracts with the authority for the authority to purchase or
658 sell, by installments over such terms as may be deemed desirable,
659 or otherwise, to any person any treatment systems. Any public
660 agency is authorized to enter into operating agreements with the
661 authority, for such terms and upon such conditions as may be
662 deemed desirable, for the operation of any of its treatment



663 systems of any person by the authority or by any person
664 contracting with the authority to operate such treatment systems;
665 and any public agency may lease to or from the authority, for such
666 term and upon such conditions as may be deemed desirable, any of
667 its treatment systems. Any such contract may contain provisions
668 requiring any public agency or other person to regulate the
669 quality and strength of the material to be handled by the water,
670 wastewater, or sewage systems and may also provide that the
671 authority shall have the right to use any streets, alleys and
672 public ways and places within the jurisdiction of a public agency
673 or other person during the term of the contract. Such contracts
674 may obligate the public agency to make payments to the authority
675 or to a trustee in amounts which shall be sufficient to enable the
676 authority to defray the expenses of administering, operating and
677 maintaining its respective systems, to pay interest and principal
678 (whether at maturity upon redemption or otherwise) on bonds of the
679 authority, issued under this act and to fund reserves for debt
680 service, for operation and maintenance and for renewals and
681 replacements, and to fulfill the requirements of any rate covenant
682 with respect to debt service coverage contained in any resolution,
683 trust indenture or other security agreement relating to the bonds
684 of the authority issued under this act. Any public agency shall
685 have the power to enter into such contracts with the authority as
686 in the discretion of the governing authorities of the agency would
687 be in the best interest of the agency. Such contracts may include



688 a pledge of the full faith and credit of such public agency and/or
689 the avails of any special assessments made by such public agency
690 against property receiving benefits, as now or hereafter is
691 provided by law. Any such contract may provide for the sale, or
692 lease to, or use of by the authority, of the systems or any part
693 thereof, of the public agency; and may provide that the authority
694 shall operate its systems or any part thereof of the public
695 agency; and may provide that any public agency shall have the
696 right to continued use and/or priority use of the systems or any
697 part thereof during the useful life thereof upon payment of
698 reasonable charges therefor; and may contain provisions to assure
699 equitable treatment of persons or public agencies who contract
700 with the authority under this act; and may contain such other
701 provisions and requirements as the parties thereto may determine
702 to be appropriate or necessary. Such contracts may extend over
703 any period of time, notwithstanding any provisions of law to the
704 contrary, and may extend beyond the life of the respective systems
705 or any part thereof or the term of the bonds sold with respect to
706 such facilities or improvements thereto.

707 (2) The obligations of a public agency arising under the
708 terms of any contract referred to in this act, whether or not
709 payable solely from a pledge of revenues, shall not be included
710 within the indebtedness limitations of the public agency for
711 purposes of any constitutional or statutory limitation or
712 provision. To the extent provided in such contract and to the



713 extent such obligations of the public agency are payable wholly or
714 in part from the revenues and other monies derived by the public
715 agency from the operation of its treatment systems or of its
716 combined treatment systems, waterworks and water supply systems or
717 any part thereof, such obligations shall be treated as expenses of
718 operating such systems.

719 (3) Contracts referred to in this section may also provide
720 for payments in the form of contributions to defray the cost of
721 any purpose set forth in the contracts and as advances for the
722 respective systems or any part thereof subject to repayment by the
723 authority. A public agency may make such contributions or
724 advances from its general fund or surplus fund or from special
725 assessments or from any monies legally available therefor.

726 (4) Payments made, or to be made, to the authority by a
727 public agency or other person under a contract for any of its
728 treatment systems, or any part thereof, shall not be subject to
729 approval or review by the Mississippi Public Service Commission.

730 (5) Subject to the terms of a contract or contracts referred
731 to in this act, the authority is hereby authorized to do and
732 perform any and all acts or things necessary, convenient or
733 desirable to carry out the purposes of such contracts, including
734 the fixing, charging, collecting, maintaining and revising of
735 rates, fees and other charges for the services rendered to any
736 user of any of the systems operated or maintained by the
737 authority, whether or not such systems are owned by the authority.



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

744 Section 10. Whenever a public agency shall have executed a
745 contract under this act and the payments thereunder are to be made
746 either wholly or partly from the revenues of the public agency's
747 treatment systems, or any part thereof, or a combination of such
748 systems, the duty is hereby imposed on the public agency to
749 establish and maintain and from time to time to adjust the rates
750 charged by the public agency for the services of such treatment
751 systems, so that the revenues therefrom together with any taxes
752 and special assessments levied in support thereof will be
753 sufficient at all times to pay: (a) the expense of operating and
754 maintaining such treatment systems including all of the public
755 agency's obligations to the authority, its successors or assigns
756 under such contract; and (b) all of the public agency's
757 obligations under and in connection with revenue bonds theretofore
758 issued, or which may be issued thereafter and secured by the
759 revenues of such treatment systems. Any such contract may require
760 the use of consulting engineers and financial experts to advise
761 the public agency whether and when such rates are to be adjusted.



762 Section 11. (1) The DeSoto County Regional Utility
763 Authority shall have the power and is hereby authorized, from time
764 to time, to borrow money and to issue revenue bonds in such
765 principal amounts, up to a maximum amount of * * * Eighty Million
766 Dollars (\$80,000,000.00), as the DeSoto County Regional Utility
767 Authority may determine to be necessary to provide sufficient
768 funds for achieving the purposes of this act, including, (a)
769 defraying the cost of the acquisition of water and sewer trunk
770 lines and the acquisition, construction, improvement, repair or
771 extension of its treatment systems, or any part thereof, whether
772 or not such facilities are owned by the authority; (b) the payment
773 of interest on bonds of the authority issued under this act; (c)
774 establishing reserves to secure such bonds and payment of the
775 interest thereon; (d) paying expenses incident to the issuance of
776 such bonds and to the implementation of the authority's systems,
777 and all other expenditures of the authority incident to or
778 necessary or convenient to carry out the purposes of this act.

779 (2) Before issuing bonds (other than interim notes or
780 refunding bonds as provided in Section 12 of this act) hereunder,
781 the board of directors of the authority first shall hold a public
782 hearing before the governing authorities of each affected public
783 agency with due notice of the time, date and place of said hearing
784 published in a newspaper of general circulation in each said
785 public agency. Upon an affirmative vote of the board of directors
786 approving the resolution of intent, the board of directors shall



787 adopt a resolution declaring its intention to issue such bonds and
788 stating the maximum principal amount of bonds proposed to be
789 issued, a general generic description of the proposed improvements
790 and the proposed location thereof and the date, time and place at
791 which the board of directors proposes to take further action with
792 respect to the issuance of such bonds. The board of directors
793 then shall cause the resolution of intent to be published once a
794 week for at least three (3) consecutive weeks in at least one (1)
795 newspaper having a general circulation within the geographical
796 limits of all of the public agencies: (a) which have contracted
797 with the authority pursuant to this act; and (b) whose contracts
798 relate to the bonds proposed to be issued.

799 Each member agency which meets all of the criteria set forth
800 in paragraphs (a) and (b) of this subsection is hereinafter
801 referred to as an "affected member agency," and, together with
802 other such agencies, collectively referred to as the "affected
803 member agencies."

804 If no newspaper has a general circulation within the
805 geographical limits of all of the affected member agencies, then
806 such resolution shall be published in as many different newspapers
807 as may be required to provide general circulation of the
808 publication of such resolution within the geographical limits of
809 each affected member agency. If no newspaper has a general
810 circulation within the geographical limits of any particular
811 affected member agency, then notice in such affected member agency



812 shall be made by posting a copy of such resolution for at least
813 twenty-one (21) days next preceding the date therein at two (2)
814 public places within the geographical limits of such member
815 agency. The first publication of such resolution shall be made
816 not less than twenty-one (21) days before the date fixed in such
817 resolution to direct the issuance of the bonds and the last
818 publication shall be made not more than seven (7) days before such
819 date. If twenty percent (20%) of the qualified electors residing
820 in the authority or one thousand five hundred (1,500), whichever
821 is less, shall file a written protest against the issuance of such
822 bonds on or before the date specified in such resolution, then an
823 election on the question of the issuance of such bonds shall be
824 called and held as herein provided. If no such protest be filed,
825 then such bonds may be issued without an election on the question
826 of the issuance thereof at any time within a period of two (2)
827 years after the date specified in the above-mentioned resolution.
828 Where an election is to be called, notice of such election shall
829 be signed by the president of the board of directors, and shall be
830 published once a week for at least three (3) consecutive weeks in
831 the same manner as publication of the resolution. The first
832 publication of such notice shall be made not less than twenty-one
833 (21) days before the date fixed for such election and the last
834 publication shall be made not more than seven (7) days before such
835 date. The election shall be conducted by the election
836 commissioners of the county in which the authority is located.



837 The election shall be held, as far as is practicable, in the same
838 manner as other county special elections are held in the county
839 where the authority is located. At the election, all qualified
840 electors residing in the authority may vote, and the ballots used
841 at such election shall have printed thereon a brief statement of
842 the amount and purpose of the proposed bond issue and the words
843 "FOR THE BOND ISSUE" and "AGAINST THE BOND ISSUE," and the voter
844 shall vote by placing a cross (X) opposite his choice on the
845 proposition. When the results of the election on the question of
846 the issuance of such bonds shall have been canvassed by the
847 election commissioners of the county, in which the authority is
848 located, and certified by them to the board of directors of the
849 authority, it shall be the duty of the board of directors of the
850 authority to determine and adjudicate whether or not a majority of
851 the qualified electors who voted thereon in such election voted in
852 favor of the issuance of such bonds, and unless a majority of the
853 qualified electors who voted thereon in such election shall have
854 voted in favor of the issuance of such bonds, then such bonds
855 shall not be issued. Should a majority of the qualified electors
856 who vote thereon in such election vote in favor of the issuance of
857 such bonds, then the board of directors may issue such bonds,
858 either in whole or in part, within two (2) years after the date of
859 the election or the date of the final favorable termination of any
860 litigation affecting the issuance of such bonds.



861 (3) Bonds of the authority issued under this act shall be
862 payable from and secured by a pledge of all or any part of the
863 revenues under any contract entered into pursuant to this act and
864 from all or any part of the revenues derived from the operation of
865 the treatment systems, or any part thereof, and any other monies
866 legally available therefor, as may be determined by the authority,
867 subject only to any agreement with the purchasers of the bonds.
868 Such bonds may be further secured by a trust indenture between the
869 authority and a corporate trustee, which may be any trust company
870 or bank having powers of a trust company without or within the
871 state.

872 (4) Bonds of the authority issued under this act shall be
873 authorized by a resolution or resolutions adopted by the board of
874 directors of the authority. Such bonds shall bear such date or
875 dates, mature at such time or times, bear interest at such rate or
876 rates (not exceeding the maximum rate set out in Section
877 75-17-103), be in such denomination or denominations, be in such
878 form, carry such conversion privileges, have such rank or
879 priority, be executed in such manner and by such officers, be
880 payable from such sources in such medium of payment at such place
881 or places within or without the state, provided that one (1) such
882 place shall be within the state, and be subject to such terms of
883 redemption prior to maturity, all as may be provided by resolution
884 or resolutions of the board of directors.



885 (5) Bonds of the authority issued under this act may be sold
886 at such price or prices, at public or private sale, in such manner
887 and at such times as may be determined by the authority to be in
888 the public interest, and the authority may pay all expenses,
889 premiums, fees and commissions which it may deem necessary and
890 advantageous in connection with the issuance and sale thereof.

891 (6) Any pledge of earnings, revenues or other monies made by
892 the authority shall be valid and binding from the time the pledge
893 is made. The earnings, revenues or other monies so pledged and
894 thereafter received by the authority shall immediately be subject
895 to the lien of such pledge without any physical delivery thereof
896 or further act, and the lien of any such pledge shall be valid and
897 binding as against all parties having claims of any kind in tort,
898 contract or otherwise against the authority irrespective of
899 whether such parties have notice thereof. Neither the resolution
900 nor any other instrument by which a pledge is created need be
901 recorded.

902 (7) Neither the members of the board of directors nor any
903 person executing the bonds shall be personally liable on the bonds
904 or be subject to any personal liability or accountability by
905 reason of the issuance thereof.

906 (8) Proceeds from the sale of bonds of the authority may be
907 invested, pending their use, in such securities as may be
908 specified in the resolution authorizing the issuance of the bonds
909 or the trust indenture securing them, and the earnings on such



910 investments applied as provided in such resolution or trust
911 indenture.

912 (9) Whenever any bonds shall have been signed by the
913 officer(s) designated by the resolution of the board of directors
914 to sign the bonds, who were in office at the time of such signing,
915 but who may have ceased to be such officer(s) prior to the sale
916 and delivery of such bonds, or who may not have been in office on
917 the date such bonds may bear, the manual or facsimile signatures
918 of such officer(s) upon such bonds shall nevertheless be valid and
919 sufficient for all purposes and have the same effect as if the
920 person so officially executing such bonds had remained in office
921 until the delivery of the same to the purchaser or had been in
922 office on the date such bonds may bear.

923 Section 12. The authority, by resolution adopted by its
924 board of directors, may issue refunding bonds for the purpose of
925 paying any of its bonds at or prior to maturity or upon
926 acceleration or redemption. Refunding bonds may be issued at such
927 time prior to the maturity or redemption of the refunded bonds as
928 the board of directors deems to be in the public interest, without
929 an election on the question of the issuance thereof. The
930 refunding bonds may be issued in sufficient amounts to pay or
931 provide the principal of the bonds being refunded, together with
932 any redemption premium thereon, any interest accrued or to accrue
933 to the date of payment of such bonds, the expenses of issue of the
934 refunding bonds, the expenses of redeeming the bonds being



935 refunded, and such reserves for debt service or other capital or
936 current expenses from the proceeds of such refunding bonds as may
937 be required by the resolution, trust indenture or other security
938 instruments. The issue of refunding bonds, the maturities and
939 other details thereof, the security therefor, the rights of the
940 holders and the rights, duties and obligations of the authority in
941 respect to the same shall be governed by the provisions of this
942 act relating to the issue of bonds other than refunding bonds
943 insofar as the same may be applicable. Any such refunding may be
944 effected, whether the obligations to be refunded shall have then
945 matured or shall thereafter mature, either by the exchange of the
946 refunding bonds for the obligations to be refunded thereby with
947 the consent of the holders of the obligations so to be refunded,
948 or by sale of the refunding bonds and the application of the
949 proceeds thereof to the payment of the obligations proposed to be
950 refunded thereby, and regardless of whether the obligations
951 proposed to be refunded shall be payable on the same date or
952 different dates or shall be due serially or otherwise.

953 Section 13. All bonds (other than refunding bonds, interim
954 notes and certificates of indebtedness, which may be validated)
955 issued pursuant to this act shall be validated as now provided by
956 law in Sections 31-13-1 through 31-13-11, which constitute the
957 Validation of Public Bonds Act, except that notice of such
958 validation proceedings shall be addressed to the taxpayers of the
959 respective member agencies (a) which have contracted with the



960 authority under this act, and (b) whose contracts, and the
961 payments to be made by the public agencies thereunder, constitute
962 security for the bonds of the authority proposed to be issued.
963 Such notice shall be published at least once in a newspaper or
964 newspapers having a general circulation within the geographical
965 boundaries of each of the member agencies to whose taxpayers the
966 notice is addressed. Such validation proceedings shall be
967 instituted in the Chancery Court of DeSoto County. The validity
968 of the bonds so validated, and of the contracts and payments to be
969 made by the public agencies, thereunder constituting security for
970 the bonds, shall be forever conclusive against the authority and
971 the public agencies which are parties to said contracts; and the
972 validity of said bonds and said contracts and the payments to be
973 made thereunder shall never be called in question in any court in
974 this state.

975 Section 14. Bonds issued under the provisions of this act
976 shall be payable solely from the revenues or assets of the
977 authority pledged therefor. Each bond issued under this act shall
978 contain on the face thereof a statement to the effect that the
979 authority shall not be obligated to pay the same nor the interest
980 thereon except from the revenues or assets pledged therefor.

981 Section 15. The authority shall have power in connection
982 with the issuance of its bonds to:

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



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

987 (c) Covenant to charge rates, fees and charges
988 sufficient to meet operating and maintenance expenses, renewals
989 and replacements, principal and debt service on bonds, creation
990 and maintenance of any reserves required by a bond resolution,
991 trust indenture or other security instrument and to provide for
992 any margins or coverages over and above debt service on the bonds
993 deemed desirable for the marketability of the bonds.

994 (d) Covenant and prescribe as to events of default and
995 terms and conditions upon which any or all of its bonds shall
996 become or may be declared due before maturity, as to the terms and
997 conditions upon which such declaration and its consequences may be
998 waived and as to the consequences of default and the remedies of
999 the registered owners of the bonds.

1000 (e) Covenant as to the mortgage or pledge of or the
1001 grant of a security interest in any real or personal property and
1002 all or any part of the revenues from any treatment systems, or any
1003 part thereof, or any revenue-producing contract or contracts made
1004 by the authority with any person to secure the payment of bonds,
1005 subject to such agreements with the registered owners of bonds as
1006 may then exist.

1007 (f) Covenant as to the custody, collection, securing,
1008 investment and payment of any revenues, assets, monies, funds or



1009 property with respect to which the authority may have any rights
1010 or interest.

1011 (g) Covenant as to the purposes to which the proceeds
1012 from the sale of any bonds then or thereafter to be issued may be
1013 applied, and the pledge of such proceeds to secure the payment of
1014 the bonds.

1015 (h) Covenant as to the limitations on the issuance of
1016 any additional bonds, the terms upon which additional bonds may be
1017 issued and secured, and the refunding of outstanding bonds.

1018 (i) Covenant as to the rank or priority of any bonds
1019 with respect to any lien or security.

1020 (j) Covenant as to the procedure by which the terms of
1021 any contract with or for the benefit of the registered owners of
1022 bonds may be amended or abrogated, the amount of bonds the
1023 registered owners of which must consent thereto, and the manner in
1024 which such consent may be given.

1025 (k) Covenant as to the custody of any of its properties
1026 or investments, the safekeeping thereof, the insurance to be
1027 carried thereon, and the use and disposition of insurance
1028 proceeds.

1029 (l) Covenant as to the vesting in a trustee or
1030 trustees, within or outside the state, of such properties, rights,
1031 powers and duties in trust as the authority may determine.



1032 (m) Covenant as to the appointing and providing for the
1033 duties and obligations of a paying agent or paying agents or other
1034 fiduciaries within or outside the state.

1035 (n) Make all other covenants and to do any and all such
1036 acts and things as may be necessary or convenient or desirable in
1037 order to secure its bonds, or in the absolute discretion of the
1038 district tend to make the bonds more marketable, notwithstanding
1039 that such covenants, acts or things may not be enumerated herein;
1040 it being the intention hereof to give the authority the power to
1041 do all things in the issuance of bonds and in the provisions for
1042 security thereof which are not inconsistent with the Constitution
1043 of this state.

1044 (o) Execute all instruments necessary or convenient in
1045 the exercise of the powers herein granted or in the performance of
1046 covenants or duties, which may contain such covenants and
1047 provisions, as any purchaser of the bonds of the authority may
1048 reasonably require.

1049 Section 16. For the purposes of satisfying any temporary
1050 cash flow demands and deficiencies, and to maintain a working
1051 balance for the authority, the DeSoto County Board of Supervisors,
1052 or other persons as defined in Section 2(k) of this act, subject
1053 to their lawful authority to do so, are authorized to advance, at
1054 any time, such funds which, in its discretion, are necessary, or
1055 borrow such funds by issuance of notes, for initial capital
1056 contribution and to cover start-up costs until such times as



1057 sufficient bonds, assets and revenues have been secured to satisfy
1058 the needs of the authority for its management, operation and
1059 formation. To this end, the DeSoto County Board of Supervisors,
1060 or other persons as defined in Section 2(k) of this act, subject
1061 to their lawful authority to do so, shall advance such funds, or
1062 borrow such funds by issuance of notes, under such terms and
1063 conditions as may be provided by resolution of the DeSoto County
1064 Board of Supervisors, or other persons as defined in Section 2(k)
1065 of this act, subject to their lawful authority to do so, except
1066 that each such resolution shall state:

1067 (a) The need for the proceeds advanced or borrowed;

1068 (b) The amount to be advanced or the amount to be
1069 borrowed;

1070 (c) The maximum principal amount of any note issued,
1071 the interest rate or maximum interest rate to be incurred, and the
1072 maturity date of said note.

1073 In addition, the DeSoto County Board of Supervisors, or other
1074 persons as defined in Section 2(k) of this act, subject to their
1075 lawful authority to do so, may arrange for lines of credit with
1076 any bank, firm or person for the purpose of providing an
1077 additional source of repayment for notes issued pursuant to this
1078 section. Amounts drawn on a line of credit may be evidenced by
1079 negotiable or nonnegotiable notes or other evidences of
1080 indebtedness and contain such terms and conditions as the DeSoto
1081 County Board of Supervisors, or other persons as defined in



1082 Section 2(k) of this act, subject to their lawful authority to do
1083 so, may authorize in the resolution approving the same.

1084 The DeSoto County Board of Supervisors, or other persons as
1085 defined in Section 2(k) of this act, subject to their lawful
1086 authority to do so, may authorize the repayment of such advances,
1087 notes, lines of credit and other debt incurred under this section,
1088 along with all costs associated with the same, including, but not
1089 limited to, rating agency fees, printing costs, legal fees, bank
1090 or trust company fees, line of credit fees and other charges to be
1091 reimbursed by the authority under such terms and conditions as are
1092 reasonable and are to be provided for by resolution of the DeSoto
1093 County Board of Supervisors, or terms agreed upon with other
1094 persons as defined in Section 2(k) of this act, subject to their
1095 lawful authority to do so.

1096 In addition, the DeSoto County Board of Supervisors may lease
1097 or donate office space and equipment to the authority under such
1098 terms and conditions as are reasonable and are to be provided for
1099 by resolution of the DeSoto County Board of Supervisors, or terms
1100 agreed upon by the authority.

1101 Section 17. The authority, in any authorizing resolution of
1102 the board of directors, trust indenture or other security
1103 instrument relating to its bonds, may provide for the appointment
1104 of a trustee who shall have such powers as are provided therein to
1105 represent the registered owners of any issue of bonds in the
1106 enforcement or protection of their rights under any such



1107 resolution, trust indenture or security instrument. The authority
1108 also may provide in such resolution, trust indenture or other
1109 security instrument that the trustee, or in the event that the
1110 trustee so appointed shall fail or decline to so protect and
1111 enforce such registered owners' rights then such percentage of
1112 registered owners as shall be set forth in, and subject to the
1113 provisions of, such resolution, trust indenture or other security
1114 interest, may petition the court of proper jurisdiction for the
1115 appointment of a receiver of the authority's treatment systems for
1116 the revenues of which are pledged to the payment of the principal
1117 of and interest on the bonds of such registered owners. Such
1118 receiver may exercise any power as may be granted in any such
1119 resolution, trust indenture or security instrument to enter upon
1120 and take possession of, acquire, construct or reconstruct or
1121 operate and maintain such sewage such as the authority treatment
1122 systems fix, charge, collect, enforce and receive all revenues
1123 derived from such of the systems or facilities and perform the
1124 public duties and carry out the contracts and obligations of the
1125 authority in the same manner as the authority itself might do, all
1126 under the direction of such court.

1127 Section 18. (1) The exercise of the powers granted by this
1128 act will be in all respects for the benefit of the people of the
1129 State of Mississippi, for their well-being and prosperity and for
1130 the improvement of their social and economic conditions, and the
1131 authority shall not be required to pay any tax or assessment on



1132 any property owned by the authority under the provisions of this
1133 act or upon the income therefrom; nor shall the authority be
1134 required to pay any recording fee or transfer tax of any kind on
1135 account of instruments recorded by it or on its behalf.

1136 (2) Any bonds issued by the authority under the provisions
1137 of this act, and their transfer and any income derived therefrom,
1138 shall at all times be free from taxation by the state or any local
1139 unit or political subdivision or other instrumentality of the
1140 state, excepting inheritance and gift taxes.

1141 Section 19. All bonds issued under the provisions of this
1142 act shall be legal investments for trustees, other fiduciaries,
1143 savings banks, trust companies and insurance companies organized
1144 under the laws of the State of Mississippi; and such bonds shall
1145 be legal securities which may be deposited with and shall be
1146 received by all public officers and bodies of the state and all
1147 municipalities and other political subdivisions thereof for the
1148 purpose of securing the deposit of public funds.

1149 Section 20. The State of Mississippi hereby covenants with
1150 the registered owners of any bonds of the authority that so long
1151 as the bonds are outstanding and unpaid the State of Mississippi
1152 will not limit or alter the rights and powers of the authority
1153 under this act to conduct the activities referred to herein in any
1154 way pertinent to the interests of the bondholders, including the
1155 authority's right to charge and collect rates, fees and charges
1156 and to fulfill the terms of any covenants made with the registered



1157 owners of the bonds, or in any other way impair the rights and
1158 remedies of the registered owners of the bonds, unless provision
1159 for full payment of such bonds, by escrow or otherwise, has been
1160 made under the terms of the bonds or the resolution, trust
1161 indenture or security interest securing the bonds.

1162 Section 21. The provisions of this act are cumulative to
1163 other statutes now or hereafter enacted relating to the issuance
1164 of bonds or the components which make up the authority's treatment
1165 systems and to the design, construction, acquisition or approval
1166 of facilities for such purposes, and any public agency may
1167 exercise all presently held powers in the furtherance of this act;
1168 provided that the authority may issue bonds only under the
1169 provisions of this act.

1170 **SECTION 2.** This act shall take effect and be in force from
1171 and after its passage.

