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SUBSTITUTE NO 1 FOR COMMITTEE AMENDMENT NO 1 PROPOSED
TO**

House Bill No. 298

BY: Senator(s) Parker

**Amend by striking all after the enacting clause and inserting
in lieu thereof the following:**

9 **SECTION 1.** This chapter shall be known and may be cited as
10 the "Mississippi Capitol Region Utility Act."

11 **SECTION 2.** (1) The Mississippi Legislature finds the
12 following:

13 (a) For the benefit of the citizens centrally located
14 in the State of Mississippi, including citizens residing or
15 working in the capital city of the State of Mississippi, it is
16 essential to have access to safe, clean and reliable water and
17 wastewater systems at affordable, regulated rates which are just,



18 reasonable and provide an adequate amount of capital to keep such
19 systems in good repair;

20 (b) The availability of safe, clean and reliable water
21 and wastewater systems has vast impacts on health, schools and
22 academic outcomes, crime and safety, state and local government
23 operations, businesses and economic development, the availability
24 of a workforce, tourism and many other critical areas;

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

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



43 (e) On or about July 31, 2023, the U.S. District Court
44 for the Southern District of Mississippi brought the City of
45 Jackson's sewer and wastewater systems into the receivership;

46 (f) The order appointing a receiver does not have a
47 termination date and ends only when final judgment is entered by
48 the court. Before the court enters final judgment, the system
49 must be stable, the financial plan sustainable, and the transition
50 plan approved in order to transition the system to
51 post-receivership operations;

52 (g) The creation and organization of a structure for
53 future governance requires legislation for it to continue in
54 perpetuity beyond the eventual end of the receiver's work and
55 related federal court orders; and

56 (h) The creation and organization of a structure for
57 future governance prior to the date of the conclusion of the
58 receiver's work will allow for an orderly transition to ensure
59 minimal disruption in water and wastewater service.

60 (2) Therefore, it is the intent of the Mississippi
61 Legislature to:

62 (a) Provide the Mississippi Capitol Region Utility
63 Authority the option to purchase the existing water and wastewater
64 assets from the City of Jackson at fair market value as determined
65 by the court, provided all existing system debts have been retired
66 or paid. Upon completion of the purchase of assets, the water and
67 wastewater assets shall be transferred to the utility authority's



68 ownership, management and control to ensure all citizens have
69 access to safe, clean and reliable water and wastewater systems at
70 affordable, just and reasonable regulated rates, and to provide an
71 adequate amount of capital to keep such systems in good repair;

72 (b) Authorize the Local Governments and Rural Water
73 Systems Improvement Board created in Section 41-3-16 to loan to
74 the authority funds required to purchase water assets as provided
75 in this subsection (2) at an interest rate of zero percent (0%)
76 with a forty-year term applying the maximum principal forgiveness
77 available;

78 (c) Authorize the Mississippi Commission on
79 Environmental Quality to loan to the authority funds requested to
80 purchase wastewater assets as authorized in this subsection (2) at
81 an interest rate of zero percent (0%) with a forty-year term
82 applying the maximum principal forgiveness available, provided all
83 requirements to be eligible for the loan are met by the authority
84 and the transaction meets the requirements of federal law; and

85 (d) Partner with the Department of Health, the
86 Department of Environmental Quality, the City of Jackson and other
87 municipalities or governmental entities within the boundaries of
88 the authority, and any other federal state or local entity in
89 taking any action necessary under this chapter to ensure all
90 citizens have access to safe, clean and reliable water and
91 wastewater systems, with the understanding that federal and state



92 agencies are solely responsible for regulating, but not operating,
93 the utility authority.

94 **SECTION 3.** As used in this chapter, the following words and
95 phrases have the meanings ascribed herein, unless the context
96 clearly indicates otherwise:

97 (a) "Board" means the Board of Directors of the
98 Mississippi Capitol Region Utility Authority.

99 (b) "Bonds" means revenue bonds and other certificates
100 of indebtedness of the authority issued under the provisions of
101 this chapter.

102 (c) "Court" means the U.S. District Court for the
103 Southern District of Mississippi and the receiver, as defined
104 herein.

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

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

109 (f) "Project" means the construction, development or
110 acquisition by the utility authority of any infrastructure for
111 water and wastewater systems or services and includes the
112 upgrading or repair of existing systems.

113 (g) "Public agency" means any county, municipality,
114 state board or utility authority owning or operating properties,
115 districts created pursuant to the general laws or local and
116 private laws of the State of Mississippi, or any other political



117 subdivision of the State of Mississippi possessing the power to
118 own and operate waterworks, water supply systems, sewerage
119 systems, sewage treatment systems or other facilities or systems
120 for the collection, transportation and treatment of water and
121 wastewater.

122 (h) "Receiver" means the interim third-party manager
123 for the water system owned by the City of Jackson who was
124 appointed by the U.S. District Court for the Southern District of
125 Mississippi on November 29, 2022, to oversee and operate the
126 systems until the court issues final judgment.

127 (i) "Service territory" or "service area" means the
128 geographic areas receiving water and wastewater services from the
129 City of Jackson's water and wastewater systems as operated by JXN
130 Water as of July 1, 2024.

131 (j) "System" or "systems" means any plants, structures,
132 facilities or other real or personal property used or useful in
133 the generation, storage, transportation or supply of water, and
134 the collection, transportation, treatment or disposal of
135 wastewater, including tanks, pipes, trunk lines, mains, sewers,
136 conduits, pipelines, pumping and ventilating stations, plants,
137 works, connections and any other real or personal property and
138 rights therein necessary, useful or convenient for the purposes of
139 the utility authority.

140 (k) "Utility authority" or "authority" means the
141 Mississippi Capitol Region Utility Authority.



142 (l) "Wastewater" means water being disposed of by any
143 person and which is contaminated with waste or sewage, including
144 industrial, municipal, and any other wastewater that may cause
145 impairment of the quality of waters in the state.

146 (m) "Water" means potable water from either surface
147 water or groundwater sources.

148 **SECTION 4.** (1) There is hereby created and established a
149 corporate nonprofit known as the Mississippi Capitol Region
150 Utility Authority. The authority will be composed of geographic
151 areas receiving water and wastewater services from the City of
152 Jackson as of July 1, 2024, for the planning, acquisition,
153 construction, maintenance, operation and coordination of water and
154 wastewater systems in order to ensure the delivery of water and
155 wastewater services to citizens. Such authority is created solely
156 to accomplish the purposes of the state under this chapter, and
157 the exercise by the authority of the powers conferred by this
158 chapter shall be deemed and held to be the performance of an
159 essential public function promoting the health, welfare and
160 prosperity of the general public. It is the intent of the
161 Legislature that the authority shall be accountable to ratepayers
162 within the systems through the audits, reports and disclosures
163 required by this chapter.

164 (2) The existence of the corporate nonprofit authority,
165 which shall be domiciled in the State of Mississippi, shall begin



166 upon the appointment of a majority of its board as provided in
167 Section 5 of this act.

168 (3) The authority shall assume ownership, management and
169 control over the water and wastewater systems on the date of
170 termination of the receiver by the U.S. District Court for the
171 Southern District of Mississippi, or an earlier date as ordered by
172 the court. If the termination date is not the same for all
173 systems, the authority shall assume ownership, management and
174 control over the system for which the receivership is terminated
175 on the termination date for that system.

176 (4) In the event of any action or matter challenging the
177 creation, establishment, or statutory responsibilities of the
178 authority, the Chief Justice of the Mississippi Supreme Court
179 shall select an appropriate circuit or chancery court, which shall
180 have exclusive jurisdiction over the matter. In any other matter,
181 the court of competent jurisdiction shall have jurisdiction over
182 the matter. For purposes of court costs, the authority shall be a
183 private corporation.

184 (5) All funds provided by the federal government in H.R.
185 2617, the Consolidated Appropriations Act of 2023, and any other
186 funds provided by the state or federal government in response to
187 the water crisis detailed by the U.S. District Court for the
188 Southern District of Mississippi in Case No. 3:22-cv-00686, *United*
189 *States v. City of Jackson*, shall be spent according to the
190 direction of the receiver and federal court within the service



191 territory impacted by the water crisis and in accordance with
192 federal law.

193 **SECTION 5.** (1) The affairs of the utility authority shall
194 be administered by the board. The board shall be composed of nine
195 (9) members to be selected as follows:

196 (a) The Mayor of the City of Jackson shall appoint one
197 (1) member (Member 1), a member of the clergy leading a place of
198 worship within the service area;

199 (b) The City Council of the City of Jackson, by
200 majority vote, shall appoint two (2) members, including:

201 (i) Member 2, an employee of a local nonprofit
202 located within the service area; and

203 (ii) Member 3, an owner of a restaurant located
204 within the service area;

205 (c) The Governor shall appoint three (3) members,
206 including:

207 (i) Member 4, an employee of a large nonhealthcare
208 business with a minimum of two hundred (200) employees working in
209 facilities within the service area;

210 (ii) Member 5, a small business owner whose
211 primary business location is within the service area; and

212 (iii) Member 6, an at-large appointee who lives or
213 works in the service area;

214 (d) The Lieutenant Governor shall appoint three (3)
215 members, including:



216 (i) Member 7, an employee of a large health care
217 facility within the service area;

218 (ii) Member 8, an employee of a post-secondary
219 institution within the service area; and

220 (iii) Member 9, an at-large appointee who lives or
221 works in the service area.

222 All members shall be appointed by September 1, 2024, and
223 shall be subject to the advice and consent of the Senate.

224 In the appointment process, appointing authorities shall
225 attempt to see that all portions of society and its diversity are
226 represented in members of the authority. All appointed members
227 must be residents of the State of Mississippi, must be ratepayers
228 within the system boundaries, and must have significant,
229 demonstrated experience in business management, fiscal affairs,
230 public health or public utilities. No current or former federal,
231 state or local elected officials may be appointed.

232 (2) Term lengths shall begin upon the date of termination of
233 the receiver by the U.S. District Court for the Southern District
234 of Mississippi or an earlier date as ordered by the court.

235 Service by members between September 1, 2024, and the date of
236 termination of the receiver shall not be counted in the term
237 limits established herein.

238 (3) The initial terms of the board shall be as follows:
239 Members 1 and 2 for a term of four (4) years, member 3 for a term
240 of three (3) years, member 4 for a term of two (2) years, member 5



241 for a term of one (1) year, member 6 for a term of four (4) years,
242 member 7 for a term of three (3) years, member 8 for a term of two
243 (2) years, and member 9 for a term of one (1) year.

244 (4) Except as provided in subsection (2) of this section,
245 appointments shall be for a term of four (4) years. Each member
246 shall serve at the will and pleasure of his or her appointing
247 authority and hold office until his successor has been appointed
248 and qualified. Any member who changes residency outside of the
249 service area, ends employment in the service area or allows his or
250 her account to go into arrears shall be immediately discharged
251 from the board. Vacancies shall be filled by appointment by the
252 appropriate appointing authority, subject to the advice and
253 consent of the Senate, for the length of the unexpired term only.
254 Any member of the authority shall be eligible for reappointment
255 for a maximum of two (2) full terms. Each member of the authority
256 shall, before entering upon his duty, take an oath of office to
257 administer the duties of his office faithfully and impartially,
258 and a record of such oath shall be filed in the Office of the
259 Secretary of State. The authority shall annually elect from its
260 membership a chairman and vice chairman who shall be eligible for
261 reelection for up to four (4) consecutive terms. The authority
262 shall also elect or appoint, and prescribe the duties of, such
263 other officers, who need not be members, as the authority deems
264 necessary or advisable, and the authority shall fix the
265 compensation of such officers. The authority may delegate to one



266 or more of its members, officers, employees or agents such powers
267 and duties as it may deem proper, not inconsistent with this
268 article or other provisions of law.

269 (5) The members of the board shall serve without salary but
270 shall be entitled to receive per diem pay as provided in Section
271 25-3-69, plus travel and necessary expenses, including mileage, as
272 provided in Section 25-3-41, incurred while in the performance of
273 his or her duties as a board member upon authorization by the
274 board. Expenses shall be paid from the available funds of the
275 authority after the authority assumes ownership, management and
276 control of the water, wastewater and storm systems as provided in
277 this chapter. Subject to appropriations, until the date the
278 authority assumes ownership, management and control of the water
279 and wastewater systems as provided in this chapter, expenses shall
280 be paid by the State of Mississippi.

281 (6) The board shall meet monthly, with four of these
282 meetings each year held in various locations throughout the
283 service area. All meeting agendas shall accommodate time for
284 public comment in accordance with rules established by the board.

285 (7) All meetings of the board shall be subject to the Open
286 Meetings Act in Section 25-41-1 et seq. The chairman or a
287 majority of members of the board may convene the board for a
288 meeting.



289 (8) Except as may be provided by law, all records of the
290 authority shall be deemed public records and subject to public
291 inspection as provided by Section 25-61-1 et seq.

292 (9) The board may by majority vote excuse the absence of any
293 board member. If any board member is absent for two (2) board
294 meetings in a twelve-month period without such absences being
295 excused by the board, his or her membership on the board shall be
296 terminated as a function of law, without any action by the board,
297 and the removed board member shall be ineligible for reappointment
298 to the board. The original appointing authority shall retain the
299 right to appoint a new board member to replace the removed board
300 member.

301 (10) No current or former employee of the authority shall be
302 a board member.

303 (11) Until the utility authority assumes ownership,
304 management and control of the water and wastewater systems, the
305 board shall cooperate and coordinate with the receiver in order to
306 provide the best opportunity for minimal disruption in service and
307 maximum ease of transition after the receiver has concluded his
308 work in overseeing and operating the water system.

309 **SECTION 6.** (1) The utility authority shall consult with the
310 court in appointing a president by January 1, 2025, who shall
311 serve at the will and pleasure of the board. If the authority
312 does not have ownership, management and control of the water and
313 wastewater systems by the date of the appointment of a president,



314 the State of Mississippi shall pay the salary of the president on
315 a bimonthly basis, subject to appropriations. The president shall
316 serve as deputy to the receiver until the court enters final
317 judgement, at which time the president shall manage the daily
318 affairs of the authority and shall have such powers and duties as
319 specified by this chapter, by the board, and any rules or
320 regulations adopted by the board. The president shall not be a
321 member of the board and shall serve at the will and pleasure of
322 the board.

323 (2) Until the authority assumes ownership, management and
324 control of the water and wastewater systems, the president shall
325 cooperate and coordinate with the receiver in order to provide the
326 best opportunity for minimal disruption in service and maximum
327 ease of transition after the receiver has concluded his work in
328 overseeing and operating the water system.

329 (3) The president shall employ such personnel as he or she
330 deems necessary. All personnel shall serve at the will and
331 pleasure of the president.

332 (4) The board shall set the salary of the president at such
333 level as necessary to recruit and retain a qualified professional
334 with the expertise necessary in a public utility. The board may
335 authorize whatsoever incentive compensation program for the
336 president and authority staff as it deems necessary and proper.
337 The authority shall be exempt from the provisions of Section
338 25-3-39.



339 **SECTION 7.** (1) The utility authority shall have the power,
340 duty and responsibility to exercise general supervision over the
341 design, construction, operation and maintenance of water and
342 wastewater systems.

343 (2) The authority shall adopt rules and regulations
344 regarding the design, construction or installation, operation and
345 maintenance of water and wastewater systems.

346 (3) The authority shall adopt rules and regulations
347 regarding the use of decentralized treatment systems, individual
348 on-site wastewater treatment systems and centralized wastewater
349 treatment systems.

350 (4) The authority shall adopt rules establishing performance
351 standards for water and wastewater systems and the operation and
352 maintenance of the same. Such rules and regulations shall
353 include: the implementation of a standard application form for
354 the installation, operation and maintenance of such systems;
355 application review; approval or denial procedures for any proposed
356 system; inspection, monitoring and reporting guidelines; and
357 enforcement procedures.

358 (5) (a) Before a building or development which requires the
359 installation of a water or wastewater system is constructed, the
360 system must be submitted to the authority for certification that
361 the system complies with the authority's requirements.

362 (b) Before approving or renewing a permit for a water
363 or wastewater system within the authority, the state agency must



364 require certification that the system complies with the
365 authority's requirements.

366 (6) Any system of any municipality, public agency or other
367 persons which contracts with the authority shall be subject to the
368 terms of that contract and the terms of this chapter.

369 (7) Notwithstanding the provisions of Section 51-39-1 et
370 seq., the authority shall have the full power to adopt rules and
371 regulations and to construct, maintain, lease and operate
372 facilities for the control of storm water quality and quantity.
373 In addition, the provisions of Section 51-33-1 et seq. relating to
374 drainage districts and flood control districts do not apply to the
375 authority.

376 (8) The authority may control and operate the local retail
377 water or wastewater services and may provide or be responsible for
378 direct servicing of those services to residences, businesses and
379 individuals; however, the authority shall not provide the same
380 service in an area provided by a public utility or person holding
381 a certificate of public convenience and necessity issued by the
382 Mississippi Public Service Commission for the provision of such
383 services in the certificated area.

384 (9) The authority shall enter into contracts for major
385 procurements after bidding. The authority may adopt
386 administrative rules and regulations pursuant to the provisions of
387 this chapter providing for special procedures whereby the
388 authority may make any class of procurement.



389 (10) In its bidding processes, the authority may do its own
390 bidding and procurement or may utilize the services of the
391 Department of Finance and Administration, the Department of
392 Information Technology Services or other state agencies as
393 appropriate and necessary.

394 (11) In the City of Ridgeland, which is served by only the
395 wastewater system as of July 1, 2024, the authority shall have
396 oversight or control of only wastewater service provided to
397 ratepayers. To maintain consistency with the agreement in place
398 with the City of Jackson prior to the existence of the authority,
399 the City of Ridgeland shall have control over its rate structure,
400 with the City of Ridgeland compensating the authority for its
401 prorated share of wastewater conveyance, treatment, capital
402 improvements and debt service.

403 **SECTION 8.** (1) The utility authority, in addition to any
404 other powers granted under any other provision of law, is
405 authorized:

406 (a) To acquire, construct, improve, enlarge, extend,
407 repair, operate and maintain one or more of its systems used for
408 the collection, transportation, treatment and disposal of water
409 and wastewater;

410 (b) To make contracts with any person in furtherance
411 thereof, and to make contracts with any person, under the terms of
412 which the authority will collect, transport, treat or dispose of
413 water and wastewater for such person;



414 (c) To make contracts with any person to design and
415 construct any water and wastewater systems or facilities, and
416 thereafter to purchase, lease or sell, by installments over such
417 terms as may be deemed desirable, reasonable and necessary, or
418 otherwise, any such system or systems;

419 (d) To enter into operating agreements with any person,
420 for such terms and upon such conditions as may be deemed
421 desirable, for the operation of any water and wastewater systems,
422 and to lease to or from any person, for such term and upon such
423 conditions as may be deemed desirable, any water and wastewater
424 collection, transportation, treatment or other facilities or
425 systems. Any such contract may contain provisions requiring any
426 public agency or other person to regulate the quality and strength
427 of materials to be handled by the respective system or systems and
428 also may provide that the authority shall have the right to use
429 any streets, alleys and public ways and places within the
430 jurisdiction of a public agency or other person during the term of
431 the contract;

432 (e) To enter into contracts with any person or public
433 agency, including, but not limited to, contracts authorized by
434 this chapter, in furtherance of any of the purposes authorized
435 under this chapter upon such consideration as the board and such
436 person may agree. Any such contract may extend over any period of
437 time, notwithstanding any provision or rule of law to the
438 contrary, may be upon such terms and for such consideration,



439 nominal or otherwise, as the parties thereto shall agree, and may
440 provide that it shall continue in effect until bonds specified
441 therein, refunding bonds issued in lieu of such bonds, and all
442 other obligations specified therein are paid or terminated. Any
443 such contract shall be binding upon the parties thereto according
444 to its terms;

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

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

451 (h) To invest money of the authority, including
452 proceeds from the sale of any bonds subject to any agreements with
453 bondholders, on such terms and in such manner as the authority
454 deems proper;

455 (i) To pay any outstanding City of Jackson bonds
456 relating to the water and sewer systems under their existing
457 terms;

458 (j) To require the necessary relocation or rerouting of
459 roads and highways, railroad, telephone and telegraph lines, and
460 properties, electric power lines, gas pipelines and related
461 facilities, or to require the anchoring or other protection of any
462 of these, provided fair compensation is first paid to the owners
463 or an agreement with such owners regarding the payment of the cost



464 of such relocation, and to acquire easements or rights-of-way for
465 such relocation or rerouting and to convey the same to the owners
466 of the property being relocated or rerouted in connection with the
467 purposes of this chapter. This provision shall be in accordance
468 with Mississippi Constitution Article 17A and Section 11-27-30;

469 (k) To acquire, construct, improve or modify, to
470 operate or cause to be operated and maintained, either as owner of
471 all or of any part in common with others, any water or wastewater
472 system within the authority's service area. The authority may pay
473 all or part of the cost of any system from any contribution by
474 persons, firms, public agencies or corporations. The authority
475 may receive, accept and use all funds, public or private, and pay
476 all costs of the development, implementation and maintenance as
477 may be determined as necessary for any project;

478 (l) To acquire, in its own name, by purchase on any
479 terms and conditions and in any manner as it may deem proper,
480 property for public use, or by gift, grant, lease, or otherwise,
481 real property or easements therein, franchises and personal
482 property necessary or convenient for its corporate purposes. This
483 provision shall be in accordance with Mississippi Constitution
484 Article 17A and Section 11-27-30;

485 (m) To acquire insurance for the authority's systems,
486 facilities, buildings, treatment plants and all property, real or
487 personal, to insure against all risks as any insurance may, from
488 time to time, be available;



489 (n) To use any property and rent or lease any property
490 to or from others, including public agencies, or make contracts
491 for the use of the property. The authority may sell, lease,
492 exchange, transfer, assign, pledge, mortgage or grant a security
493 interest for any property. The powers to acquire, use and dispose
494 of property as set forth in this paragraph shall include the power
495 to acquire, use and dispose of any interest in that property,
496 whether divided or undivided. Title to any property of the
497 authority shall be held by the authority exclusively for the
498 benefit of the public;

499 (o) To apply, contract for, accept, receive and
500 administer gifts, grants, appropriations and donations of money,
501 materials and property of any kind, including loans and grants
502 from the United States, the state, a unit of local government, or
503 any agency, department, district or instrumentality of any of the
504 foregoing, upon any terms and conditions as the United States, the
505 state, a unit of local government, or any agency, department,
506 district or instrumentality shall impose. The authority may
507 administer trusts. The authority may sell, lease, transfer,
508 convey, appropriate and pledge any and all of its property and
509 assets;

510 (p) To make and enforce, and from time to time amend
511 and repeal, bylaws, rules, ordinances and regulations for the
512 management of its business and affairs and for the construction,



513 use, maintenance and operation of any of the systems under its
514 management and control;

515 (q) To employ and terminate staff and other personnel,
516 including attorneys, engineers and consultants, as may be
517 necessary to the functioning of the authority;

518 (r) To establish and maintain rates, fees and any other
519 charges for services and the use of systems and facilities within
520 the control of the authority, and from time to time, to adjust
521 such rates, fees and any other charges to the end that the
522 revenues therefrom will be sufficient at all times to pay the
523 expenses of operating and maintaining the facilities and treatment
524 systems and all of the persons' obligations under any contract or
525 bonds resolution with respect thereto or any obligation of any
526 person under any agreement, contract, indenture or bonds
527 resolution with respect thereto. Such rates, fees, assessments
528 and other charges shall be subject to the jurisdiction of the
529 Mississippi Public Service Commission. Such rates, fees,
530 assessments and other charges shall be equal as levied on citizens
531 throughout the authority's boundaries. For purposes of Section
532 77-3-33, the rates charged by the authority shall be just and
533 reasonable if they are adequate to provide safe and reliable water
534 and wastewater service to its customers, including providing an
535 adequate amount of capital for the authority to perform such
536 repairs, upgrades and improvements as it deems necessary on an
537 ongoing basis. The Mississippi Public Service Commission shall



538 defer to the authority's determination of what rates are just and
539 reasonable absent a showing of manifest error;

540 (s) To adopt rules and regulations necessary to
541 accomplish the purposes of the authority and to assure the payment
542 of each participating person or public agency of its proportionate
543 share of the costs for use of any of the systems and facilities of
544 the authority and for the authority's proportionate share of the
545 costs of the board;

546 (t) To enter on public or private lands, waters or
547 premises for the purpose of making surveys, borings or soundings,
548 or conducting tests, examinations or inspections for the purposes
549 of the authority, subject to responsibility for any damage done to
550 property entered;

551 (u) To accept industrial wastewater from within the
552 boundaries of the authority for treatment and to require the
553 pretreatment of same when, in the opinion of the authority, such
554 pretreatment is necessary;

555 (v) To control and operate local retail water and
556 wastewater services, and to provide or be responsible for direct
557 servicing of those services to residences, businesses and
558 individuals; however, the authority shall not provide the same
559 services in an area provided by a public utility or person holding
560 a certificate of public convenience and necessity issued by the
561 Mississippi Public Service Commission for the provision of such
562 services in the certificated area;



563 (w) To assume control and administer, within the
564 authority's jurisdiction, any water or wastewater system or
565 systems by agreement or contract with any person if the person
566 providing such services requests to be relieved of that
567 responsibility;

568 (x) To acquire property designated by plan to
569 sufficiently accommodate the location of water or wastewater
570 systems and such requirements related directly thereto pursuant to
571 the provisions of Title 11, Chapter 27, Mississippi Code of 1972.
572 The authority may acquire property necessary for any system and
573 the exercise of the powers, rights and duties conferred upon the
574 authority by this chapter. No person owning the drilling rights
575 or the right to share in production shall be prevented from
576 exploring, developing or producing oil or gas with necessary
577 rights-of-way for ingress and egress, pipelines and other means of
578 transporting such interests on any lands or interest of the
579 authority held or used for the purposes of this chapter, but any
580 such activities shall be subject to reasonable regulations by the
581 board that will adequately protect the systems or projects of the
582 authority. This provision shall be in accordance with Mississippi
583 Constitution Article 17A and Section 11-27-30;

584 (y) To use any legally available funds to acquire,
585 rebuild, operate and maintain any existing water or wastewater
586 systems owned or operated by any person;



587 (z) To refuse to receive water or wastewater from any
588 public agency or person, except with regard to municipalities or
589 other areas within the service territory of the systems as of July
590 1, 2024;

591 (aa) So long as any indebtedness on the systems of the
592 authority remains outstanding, to require of a member public
593 agency, or other person, that all water and wastewater within the
594 boundaries of the authority be disposed of through the appropriate
595 treatment system to the extent that the same may be available, but
596 no public agency shall be precluded from constructing, operating
597 and maintaining its own such system after the current indebtedness
598 owing on the system as of July 1, 2024, is paid in full;

599 (bb) To adopt a seal and a symbol, and hold patents,
600 copyrights, trademarks and service marks, and to enforce its
601 rights with respect thereto;

602 (cc) To operate under the name JXN Water upon receiving
603 permission of the court should the authority desire to maintain
604 the receiver's organizational name; and

605 (dd) To write off revenues deemed uncollectible that
606 were billed to customers prior to December 1, 2022, and further
607 write off revenues deemed uncollectible after the third year of
608 collection efforts as a regular accounting practice of the
609 authority. Nothing herein permits the provision of services
610 without charging applicable rates in effect at the time services
611 are provided and requiring payment for such services.



612 (3) The authority shall:

613 (a) Submit annual reports to the Governor, Lieutenant
614 Governor, Speaker of the House of Representatives, State Auditor,
615 Joint Legislative Committee on Performance Evaluation and
616 Expenditure Review and the governing authorities of any
617 municipality whose citizens are within the authority's boundaries
618 regarding the water quality and financial conditions of such
619 system or systems, as well as a schedule of currently planned
620 repairs, upgrades or improvements planned by the authority;

621 (b) Immediately submit to the Governor, Lieutenant
622 Governor, Speaker of the House of Representatives and the
623 governing authorities of any municipality whose citizens are
624 within the authority's boundaries any information received from
625 the Mississippi State Department of Health or Department of
626 Environmental Quality or other state or federal regulatory
627 agencies regarding the condition of a transferred eligible
628 municipal system. The authority, in addition to abiding by any
629 other federal or state reporting requirements, must also report
630 such information to the public on its website and to individuals
631 residing within the service area as required by federal or state
632 law;

633 (c) Publish audited annual financial statements, which
634 shall be made available to the public. The annual financial
635 statements shall include disposition of all funds expended by the
636 authority for any purpose. Quarterly financial statements shall



637 be made available to the public by posting on the authority's
638 website;

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

641 (e) Adopt by administrative rules and regulations a
642 code of ethics for officers and employees of the authority to
643 carry out the standards of conduct established by this chapter;
644 and

645 (f) Adopt by administrative rules and regulations
646 guidelines for the disposal of property if the authority is
647 dissolved.

648 **SECTION 9.** (1) The president, as chief executive officer of
649 the utility authority, if so appointed by the board, shall direct
650 and supervise all administrative and technical activities in
651 accordance with the provisions of this chapter, within the
652 administrative rules and regulations adopted by the board, and in
653 accordance with industry practice. The president shall:

654 (a) Supervise and administer or contract for the
655 supervision and administration of the water and wastewater systems
656 owned, managed or controlled by the authority;

657 (b) Employ and direct such personnel as may be
658 necessary to carry out the purposes of this chapter and utilize
659 such services, personnel or facilities of the authority as he or
660 she may deem necessary;



661 (c) Make available for inspection by the board or any
662 member of the board or the Governor, Lieutenant Governor, Speaker
663 of the House or the governing authorities of any municipality
664 whose citizens are served by the authority, upon request, all
665 books, records, files and other information and documents of his
666 or her office and advise the board and recommend such
667 administrative rules and regulations and other matters he or she
668 deems necessary and advisable to improve the operation and
669 administration of the authority;

670 (d) Attend meetings of the board or appoint a designee
671 to attend on his or her behalf;

672 (e) Not later than thirty (30) days before the
673 beginning of the authority's fiscal year, submit the proposed
674 annual budget of the authority to the board for review and
675 approval. This shall include a schedule of planned repairs,
676 upgrades or improvements to the systems and the anticipated
677 capital cost of each. In addition, the proposed annual budget of
678 the authority shall include a personnel table reporting
679 information for each full-time and part-time permanent position,
680 as follows:

681 (i) The position title and the salary for each
682 position in the existing operating budget for the current fiscal
683 year, indicating whether each position is filled or vacant as of
684 the reporting date; and



685 (ii) The position title and the salary recommended
686 for each position for the next fiscal year; and

687 (f) Require bond of Fifty Thousand Dollars (\$50,000.00)
688 from employees with access to funds or in such an amount as
689 provided in the administrative rules and regulations of the board.

690 (2) The president may:

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

693 (b) Upon specific or general approval of the board,
694 enter into personal service contracts pursuant to administrative
695 rules and regulations adopted by the board and compensate such
696 consultants and technical assistants as may be required to carry
697 out the provisions of this chapter.

698 (3) Agencies, departments or units of state government,
699 including, but not limited to, the Mississippi Department of
700 Health and the Mississippi Department of Environmental Quality,
701 shall cooperate with the authority to regulate the authority and
702 assure the effective operation of the authority's systems, with
703 the understanding that such agencies act as a regulator and not
704 operator of such systems. All state officers are hereby empowered
705 and required to render such services to the authority within their
706 respective functions as may be requested by the authority.

707 **SECTION 10.** Employees of the utility authority shall serve
708 at the will and pleasure of the president, who shall determine
709 their compensation and benefits in consultation with the board.



710 **SECTION 11.** Neither the directors of the utility authority,
711 the board, its employees, nor any person or persons acting on
712 their behalf, while acting within the scope of their authority,
713 shall be subject to personal liability resulting from carrying out
714 any of the powers granted herein in accordance with his or her
715 good-faith belief that he or she is acting in the best interests
716 of the authority.

717 **SECTION 12.** (1) The utility authority shall enter into its
718 contracts for major procurements after a competitive and open
719 procurement process. The authority may adopt administrative rules
720 and regulations pursuant to the provisions of this chapter
721 providing for special procedures whereby the authority may make
722 any class of procurement. The authority shall endeavor to ensure
723 the transparency and competitiveness of procurements of all sizes.

724 (2) In its bidding processes, the authority may do its own
725 bidding and procurement or may utilize the services of other state
726 agencies as appropriate and necessary. The president may declare
727 an emergency for purchasing purposes which shall be governed by
728 the administrative rules and regulations adopted by the board.

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



734 **SECTION 14.** All division heads, officers and employees of
735 the utility authority shall be considered public servants as
736 defined in Section 25-4-103. All division heads and officers of
737 the authority are subject to Section 25-4-25 and shall be required
738 to file a Statement of Economic Interest with the Mississippi
739 Ethics Commission.

740 **SECTION 15.** (1) Any public agency, pursuant to a duly
741 adopted resolution of the governing body of such public agency,
742 may enter into contracts with the utility authority under the
743 terms of which the authority will manage, operate and contract for
744 usage of its systems and facilities, or other services, for such
745 public agency.

746 (2) Any public agency may enter into contracts with the
747 authority for the authority to purchase or sell, by installments
748 over such terms as may be deemed desirable, or otherwise, to any
749 person or any systems. Any public agency may sell, donate, convey
750 or otherwise dispose of water and wastewater facilities or
751 systems, or any equipment, personal property or other things
752 deemed necessary for the construction, operation and maintenance
753 thereof to the authority without the necessity of appraisal,
754 advertising or bidding. This section creates an alternative
755 method of disposal of public property.

756 (3) Any public agency is authorized to enter into operating
757 agreements with the authority, for such terms and upon such
758 conditions as may be deemed desirable, for the operation of any of



759 its systems by the authority or by any person contracting with the
760 authority to operate such systems.

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

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

766 (6) Any such contract may contain provisions requiring any
767 public agency to regulate the quality and strength of the material
768 to be handled by the wastewater systems and may also provide that
769 the authority shall have the right to use any streets, alleys and
770 public ways and places within the jurisdiction of a public agency
771 during the term of the contract. Such contracts may obligate the
772 public agency to make payments to the authority or to a trustee in
773 amounts which shall be sufficient to enable the authority to
774 defray the expenses of administering, operating and maintaining
775 its respective systems, to pay interest and principal (whether at
776 maturity upon redemption or otherwise) on bonds of the authority
777 issued under this chapter, and to fund reserves for debt service,
778 for operation and maintenance and for renewals and replacements,
779 to fulfill the requirements of any rate covenant with respect to
780 debt service coverage contained in any resolution, trust indenture
781 or other security agreement relating to the bonds of the authority
782 issued under this chapter or to fulfill any other requirement
783 relating to bonds issued pursuant to this chapter.



784 (7) Any public agency shall have the power to enter into
785 contracts with the authority as deemed, in the discretion of the
786 governing body of the public agency, would be in the best interest
787 of the public agency. Such contracts may include a pledge of the
788 full faith and credit of the public agency and/or the avails of
789 any special assessments made by the public agency against property
790 receiving benefits, as now or hereafter provided by law. Any such
791 contract may:

792 (a) Provide for the sale or lease to, or use by, the
793 authority, of the systems or any part thereof, of the public
794 agency;

795 (b) Provide that the authority shall operate its
796 systems or any part thereof of the public agency;

797 (c) Provide that the public agency shall have the right
798 to continued use and/or priority use of the systems or any part
799 thereof during the useful life thereof upon payment of reasonable
800 charges therefor;

801 (d) Contain provisions to assure equitable treatment of
802 public agencies contracting with the authority under this chapter;
803 and

804 (e) Contain such other provisions and requirements as
805 the parties thereto may determine to be appropriate or necessary.

806 Such contracts may extend over any period of time,
807 notwithstanding any provisions of law to the contrary, and may
808 extend beyond the life of the respective systems or any part



809 thereof or the term of the bonds sold with respect to such
810 facilities or improvements thereto.

811 (8) The obligations of a public agency arising under the
812 terms of any contract referred to in this chapter, whether or not
813 payable solely from a pledge of revenues, shall not be included
814 within the indebtedness limitations of the public agency for
815 purposes of any constitutional or statutory limitation or
816 provision. To the extent provided in such contract and to the
817 extent such obligations of the public agency are payable wholly or
818 in part from the revenues and other monies derived by the public
819 agency from the operation of its systems or of its combined
820 systems, or any part thereof, such obligations shall be treated as
821 expenses of operating such systems.

822 (9) Contracts referred to in this section may also provide
823 for payments in the form of contributions to defray the cost of
824 any purpose set forth in the contracts and as advances for the
825 respective systems or any part thereof subject to repayment by the
826 authority. A public agency may make such contributions or
827 advances from its general fund or surplus fund or from special
828 assessments or from any monies legally available therefor.

829 (10) Subject to the terms of a contract or contracts
830 referred to in this chapter, the authority is hereby authorized to
831 do and perform any and all acts or things necessary, convenient or
832 desirable to carry out the purposes of such contracts, including
833 the fixing, charging, collecting, maintaining and revising of



834 rates, fees and other charges for the services rendered to any
835 user of any of the systems operated or maintained by the
836 authority, whether or not such systems are owned by the authority.

837 (11) No provision of this chapter shall be construed to
838 prohibit any public agency, otherwise permitted by law to issue
839 bonds, from issuing bonds in the manner provided by law for the
840 construction, renovation, repair or development of any systems or
841 any part thereof.

842 **SECTION 16.** Whenever a public agency shall have executed a
843 contract under this chapter and the payments thereunder are to be
844 made either wholly or partly from the revenues of the public
845 agency's systems, or any part thereof, or a combination of such
846 systems, the duty is hereby imposed on the public agency to
847 establish and maintain and from time to time to adjust the rate or
848 fees charged by the public agency for the services of such
849 systems, so that the revenues therefrom, together with any taxes
850 and special assessments levied in support thereof, will be
851 sufficient at all times to pay:

852 (a) The expense of operating and maintaining such
853 systems, including, but not limited to, all of the public agency's
854 obligations to the utility authority and the cost required to
855 staff such systems, its successors or assigns under such contract;
856 and

857 (b) All of the public agency's obligations under and in
858 connection with bonds theretofore issued, or which may be issued



859 thereafter and secured by the revenues of such systems. Any such
860 contract may require the use of consulting engineers and financial
861 experts to advise the public agency whether and when such rates
862 and fees are to be adjusted.

863 **SECTION 17.** (1) Notwithstanding the provisions of Sections
864 77-3-21 and 77-3-23, the certificate of public convenience and
865 necessity held by any municipality, public agency, district,
866 public utility or other entity authorized by law to provide water
867 and wastewater services may be cancelled and its powers, duties
868 and responsibilities transferred to the utility authority in the
869 manner provided by this section.

870 (2) Any entity described in subsection (1) of this section
871 desiring to have its certificate of public convenience and
872 necessity cancelled and its powers, duties and responsibilities
873 transferred to the authority shall make a determination to that
874 effect on its official minutes if a public entity, or by affidavit
875 if not a public entity, and transmit such determination to the
876 authority.

877 (3) Upon receipt of the document evidencing such
878 determination from an entity to transfer its powers, duties and
879 responsibilities to the authority, the authority shall, by
880 resolution, declare whether it is willing and able to accept such
881 transfer from the entity.

882 (4) Upon completion of the requirements of subsections (2)
883 and (3) of this section and agreement by both parties to the



884 transfer, the holder of the certificate of public convenience and
885 necessity and the authority shall jointly petition the Public
886 Service Commission to cancel the certificate of public convenience
887 and necessity. The petition must be accompanied by copies of the
888 official minutes, affidavit or resolution, as the case may be,
889 reflecting the actions of the petitioners. After review of the
890 petition and any other evidence as the Public Service Commission
891 deems necessary, the commission may issue an order canceling the
892 certificate and transferring to the authority the powers, duties
893 and responsibilities granted by the certificate, including all
894 assets and debts of the transferor petitioner related to such
895 certificated services, real or personal, or both, if it finds
896 that:

897 (a) Subsections (2) and (3) of this section have been
898 complied with; and

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

900 (5) The authority and providers of water and wastewater
901 services that are not holders of a certificate of a public
902 convenience and necessity from the Public Service Commission may
903 enter into agreements for the provision of such services,
904 including, but not limited to, the transfer to the authority of
905 such provider's powers, duties, responsibilities, assets and
906 debts.



907 (6) Nothing herein shall require an entity whose powers and
908 duties were transferred to the authority to remain under the
909 authority.

910 **SECTION 18.** (1) Any system of a municipality, public agency
911 or other entity that becomes subject to the jurisdiction of the
912 utility authority and this chapter shall not impair, invalidate or
913 abrogate any liens, bonds or other certificates of indebtedness
914 related to water or wastewater facilities and systems incurred
915 prior to becoming subject to the jurisdiction of the authority.

916 (2) The authority may do and perform any and all acts
917 necessary, convenient or desirable to ensure the payment,
918 redemption or satisfaction of such liens, bonds or other
919 certificates of indebtedness.

920 **SECTION 19.** (1) Sections 18 through 27 of this act apply to
921 all bonds to be issued on or after July 1, 2024, and such
922 provisions shall not affect, limit or alter the rights and powers
923 of the utility authority under this chapter or any law of
924 Mississippi to conduct the activities referred to herein in any
925 way pertinent to the interests of the bondholders, including,
926 without limitation, the authority's right to charge and collect
927 rates, fees and charges and to fulfill the terms of any covenants
928 made with the registered owners of any existing bonds, or in any
929 other way impair the rights and remedies of the registered owners
930 of any existing bonds, unless provision for full payment of such
931 bonds, by escrow or otherwise, has been made pursuant to the terms



932 of the bonds or the resolution, trust indenture or security
933 interest securing the bonds.

934 (2) The authority shall have the power and is hereby
935 authorized, from time to time, to borrow money and to issue
936 revenue bonds and interim notes in such principal amounts as the
937 authority may determine to be necessary to provide sufficient
938 funds for achieving one or more of the purposes of this chapter,
939 including, without limiting the generality of the foregoing, to
940 defray all the costs of the project, the cost of the acquisition,
941 construction, improvement, repair or extension of a system, or any
942 part thereof, whether or not such facilities are owned by the
943 authority, the payment of interest on bonds of the authority
944 issued pursuant to this chapter, establishment of reserves to
945 secure such bonds and payment of the interest thereon, expenses
946 incident to the issuance of such bonds and to the implementation
947 of the authority's system, and all other expenditures of the
948 authority incident to or necessary or convenient to carry out the
949 purposes of this chapter.

950 (3) Before issuing bonds, other than interim notes or
951 refunding bonds as provided in Section 20 of this act, the board
952 of directors of the authority shall adopt a resolution declaring
953 its intention to issue such bonds and stating the maximum
954 principal amount of bonds proposed to be issued, a general generic
955 description of the proposed improvements and the proposed location
956 thereof and the date, time and place at which the board of



957 directors proposes to take further action with respect to the
958 issuance of such bonds. The resolution shall be published once a
959 week for at least three (3) consecutive weeks in at least one (1)
960 newspaper having a general circulation within the geographical
961 limits of the service area under this chapter.

962 (4) Bonds of the authority issued pursuant to this chapter
963 shall be payable from and secured by a pledge of all or any part
964 of the revenues derived from the operation of the systems or any
965 part or parts thereof and any other monies legally available and
966 designated therefor, as may be determined by the authority,
967 subject only to any agreement with the purchasers of the bonds.
968 Such bonds may be further secured by a trust indenture between the
969 authority and a corporate trustee, which may be any trust company
970 or bank having powers of a trust company without or within the
971 state.

972 (5) Bonds of the authority issued pursuant to this chapter
973 shall be authorized by a resolution or resolutions adopted by a
974 majority affirmative vote of the total membership of the board.
975 Such bonds may be issued in series, and each series of such bonds
976 shall bear such date or dates, mature at such time or times, bear
977 interest at such rate or rates (not exceeding the maximum rate set
978 out in Section 75-17-103, Mississippi Code of 1972), be in such
979 denomination or denominations, be in such form, carry such
980 conversion privileges, have such rank or priority, be executed in
981 such manner and by such officers, be payable from such sources in



982 such medium of payment at such place or places within or without
983 the state, provided that one such place shall be within the state,
984 and be subject to such terms of redemption prior to maturity, all
985 as may be provided by resolution or resolutions of the board. The
986 term of such bonds issued pursuant to this chapter shall not
987 exceed forty (40) years.

988 (6) Bonds of the authority issued pursuant to this chapter
989 may be sold at such price or prices, at public or private sale, in
990 such manner and at such times as may be determined by the
991 authority to be in the public interest, and the authority may pay
992 all expenses, premiums, fees and commissions which it may deem
993 necessary and advantageous in connection with the issuance and
994 sale thereof.

995 (7) Any pledge of earnings, revenues or other monies made by
996 the authority shall be valid and binding from the time the pledge
997 is made. The earnings, revenues or other monies so pledged and
998 thereafter received by the authority shall immediately be subject
999 to the lien of such pledge without any physical delivery thereof
1000 or further act, and the lien of any such pledge shall be valid and
1001 binding as against all parties having claims of any kind in tort,
1002 contract or otherwise against the authority irrespective of
1003 whether such parties have notice thereof. Neither the resolution
1004 nor any other instrument by which a pledge is created need be
1005 recorded.



1006 (8) Neither the members of the board nor any person
1007 executing the bonds shall be personally liable on the bonds or be
1008 subject to any personal liability or accountability by reason of
1009 the issuance thereof.

1010 (9) Proceeds from the sale of bonds of the authority may be
1011 invested, pending their use, in such securities as may be
1012 specified in the resolution authorizing the issuance of the bonds
1013 or the trust indenture securing them, and the earnings on such
1014 investments applied as provided in such resolution or trust
1015 indenture.

1016 (10) Whenever any bonds shall have been signed by the
1017 officer designated by the resolution of the board to sign the
1018 bonds who was in office at the time of such signing but who may
1019 have ceased to be such officer prior to the sale and delivery of
1020 such bonds, or who may not have been in office on the date such
1021 bonds may bear, the manual or facsimile signatures of such officer
1022 upon such bonds shall nevertheless be valid and sufficient for all
1023 purposes and have the same effect as if the person so officially
1024 executing such bonds had remained in office until the delivery of
1025 the same to the purchaser or had been in office on the date such
1026 bonds may bear.

1027 (11) The authority has the discretion to advance or borrow
1028 funds needed to satisfy any short-term cash flow demands or
1029 deficiencies or to cover start-up costs until such time as
1030 sufficient bonds, assets and revenues have been secured to satisfy



1031 the needs of the authority. The State of Mississippi shall
1032 provide surety for any advance or borrowing of funds required
1033 under this chapter through June 30, 2029.

1034 **SECTION 20.** (1) The utility authority may, by resolution
1035 adopted by its board, issue refunding bonds for the purpose of
1036 paying any of its bonds at or prior to maturity or upon
1037 acceleration or redemption. Refunding bonds may be issued at such
1038 time prior to the maturity or redemption of the refunded bonds as
1039 the board deems to be in the public interest, without an election
1040 on the question of the issuance thereof. The refunding bonds may
1041 be issued in sufficient amounts to pay or provide the principal of
1042 the bonds being refunded, together with any redemption premium
1043 thereon, any interest accrued or to accrue to the date of payment
1044 of such bonds, the expenses of issue of the refunding bonds, the
1045 expenses of redeeming the bonds being refunded, and such reserves
1046 for debt service or other capital or current expenses from the
1047 proceeds of such refunding bonds as may be required by the
1048 resolution, trust indenture or other security instruments. The
1049 issue of refunding bonds, the maturities and other details
1050 thereof, the security therefor, the rights of the holders and the
1051 rights, duties and obligations of the authority in respect of the
1052 same shall be governed by the provisions of this chapter relating
1053 to the issue of bonds other than refunding bonds insofar as the
1054 same may be applicable. Any such refunding may be effected,
1055 whether the obligations to be refunded shall have then matured or



1056 shall thereafter mature, either by the exchange of the refunding
1057 bonds for the obligations to be refunded thereby with the consent
1058 of the holders of the obligations so to be refunded, or by sale of
1059 the refunding bonds and the application of the proceeds thereof to
1060 the payment of the obligations proposed to be refunded thereby,
1061 and regardless of whether the obligations proposed to be refunded
1062 shall be payable on the same date or different dates or shall be
1063 due serially or otherwise.

1064 (2) Borrowing by the authority may be made by the delivery
1065 of interim notes to any person or public agency or financial
1066 institution by a majority vote of the board of directors.

1067 **SECTION 21.** All bonds, other than refunding bonds, interim
1068 notes and certificates of indebtedness, which may be issued
1069 pursuant to this chapter shall be validated as now provided by law
1070 in Sections 31-13-1 through 31-13-11, Mississippi Code of 1972;
1071 however, notice of such validation proceedings shall be addressed
1072 to the citizens of the respective public agencies which have
1073 contracted with the authority pursuant to this chapter, and whose
1074 contracts and the payments to be made by the public agencies
1075 thereunder constitute security for the bonds of the authority
1076 proposed to be issued, and such notice shall be published at least
1077 once in a newspaper or newspapers having a general circulation
1078 within the geographical boundaries of each of the contracting
1079 public agencies to whose citizens the notice is addressed. Such
1080 validation proceedings shall be instituted in any chancery courts



1081 within the boundaries of the authority. The validity of the bonds
1082 so validated and of the contracts and payments to be made by the
1083 public agencies thereunder constituting security for the bonds
1084 shall be forever conclusive against the authority and the public
1085 agencies, which are parties to said contracts, and the validity of
1086 said bonds and said contracts and the payments to be made
1087 thereunder shall never be called in question in any court in this
1088 state.

1089 **SECTION 22.** Bonds issued under the provisions of this
1090 chapter shall not be deemed to constitute, within the meaning of
1091 any constitutional or statutory limitation, an indebtedness of the
1092 utility authority or the state. Such bonds shall be payable
1093 solely from the revenues or assets of the authority pledged
1094 therefor. Each bond issued under this chapter shall contain on
1095 the face thereof a statement to the effect that neither the
1096 authority nor the state shall be obligated to pay the same or the
1097 interest thereon except from the revenues or assets pledged
1098 therefor.

1099 **SECTION 23.** The utility authority shall have power in
1100 connection with the issuance of its bonds pursuant to this chapter
1101 to:

1102 (a) Covenant as to the use of any or all of its
1103 property, real or personal;

1104 (b) Redeem the bonds, to covenant for their redemption
1105 and to provide the terms and conditions thereof;



1106 (c) Covenant to charge rates, fees and charges
1107 sufficient to meet operating and maintenance expenses, renewals
1108 and replacements, principal and debt service on bonds, creation
1109 and maintenance of any reserves required by a bonds resolution,
1110 trust indenture or other security instrument and to provide for
1111 any margins or coverages over and above debt service on the bonds
1112 deemed desirable for the marketability of the bonds;

1113 (d) Covenant and prescribe as to events of default and
1114 terms and conditions upon which any or all of its bonds shall
1115 become or may be declared due before maturity, as to the terms and
1116 conditions upon which such declaration and its consequences may be
1117 waived and as to the consequences of default and the remedies of
1118 the registered owners of the bonds;

1119 (e) Covenant as to the mortgage or pledge of or the
1120 grant of a security interest in any real or personal property and
1121 all or any part of the revenues from any designated system or any
1122 part thereof or any revenue-producing contract or contracts made
1123 by the authority with any person or entity to secure the payment
1124 of bonds, subject to such agreements with the registered owners of
1125 bonds as may then exist;

1126 (f) Covenant as to the custody, collection, securing,
1127 investment and payment of any revenues, assets, monies, funds or
1128 property with respect to which the authority may have any rights
1129 or interest;



1130 (g) Covenant as to the purposes to which the proceeds
1131 from the sale of any bonds then or thereafter to be issued may be
1132 applied, and the pledge of such proceeds to secure the payment of
1133 the bonds;

1134 (h) Covenant as to the limitations on the issuance of
1135 any additional bonds, the terms upon which additional bonds may be
1136 issued and secured, and the refunding of outstanding bonds;

1137 (i) Covenant as to the rank or priority of any bonds
1138 with respect to any lien or security;

1139 (j) Covenant as to the procedure by which the terms of
1140 any contract with or for the benefit of the registered owners of
1141 bonds may be amended or abrogated, the amount of bonds the
1142 registered owners of which must consent thereto, and the manner in
1143 which such consent may be given;

1144 (k) Covenant as to the custody of any of its properties
1145 or investments, the safekeeping thereof, the insurance to be
1146 carried thereon, and the use and disposition of insurance
1147 proceeds;

1148 (l) Covenant as to the vesting in a trustee or
1149 trustees, within or outside the state, of such properties, rights,
1150 powers and duties in trust as the authority may determine;

1151 (m) Covenant as to the appointing and providing for the
1152 duties and obligations of a paying agent or paying agents or other
1153 fiduciaries within or outside the state;



1154 (n) Make all other covenants and do any and all such
1155 acts and things as may be necessary, convenient or desirable in
1156 order to secure its bonds, or in the absolute discretion of the
1157 authority tend to make the bonds more marketable, notwithstanding
1158 that such covenants, acts or things may not be enumerated herein,
1159 it being the intention hereof to give the authority power to do
1160 all things in the issuance of bonds and in the provisions for
1161 security thereof which are not inconsistent with the Constitution
1162 of the state; and

1163 (o) Execute all instruments necessary or convenient in
1164 the exercise of the powers herein granted or in the performance of
1165 covenants or duties, which may contain such covenants and
1166 provisions, as any purchaser of the bonds of the authority may
1167 reasonably require.

1168 **SECTION 24.** The utility authority may, in any authorizing
1169 resolution of the board, trust indenture or other security
1170 instrument relating to its bonds issued pursuant to this chapter,
1171 provide for the appointment of a trustee who shall have such
1172 powers as are provided therein to represent the registered owners
1173 of any issue of bonds in the enforcement or protection of their
1174 rights under any such resolution, trust indenture or security
1175 instrument. The authority may also provide in such resolution,
1176 trust indenture or other security instrument that the trustee, or
1177 in the event that the trustee so appointed shall fail or decline
1178 to so protect and enforce such registered owners' rights then such



1179 percentage of registered owners as shall be set forth in, and
1180 subject to the provisions of, such resolution, trust indenture or
1181 other security interest, may petition the court of proper
1182 jurisdiction for the appointment of a receiver of the authority's
1183 systems, the revenues of which are pledged to the payment of the
1184 principal of and interest on the bonds of such registered owners.
1185 Such receiver may exercise any power as may be granted in any such
1186 resolution, trust indenture or security instrument to enter upon
1187 and take possession of, acquire, construct, reconstruct or operate
1188 and maintain such system, fix charges for services of the system
1189 and enforce collection thereof, and receive all revenues derived
1190 from such system or facilities and perform the public duties and
1191 carry out the contracts and obligations of the authority in the
1192 same manner as the authority itself might do, all under the
1193 direction of such court.

1194 **SECTION 25.** (1) The exercise of the powers granted by this
1195 chapter will be in all respects for the benefit of the people of
1196 the state, for their well-being and prosperity and for the
1197 improvement of their social and economic conditions, and the
1198 utility authority shall not be required to pay any tax or
1199 assessment on any property owned by the authority under the
1200 provisions of this chapter or upon the income therefrom, nor shall
1201 the authority be required to pay any recording fee or transfer tax
1202 of any kind on account of instruments recorded by it or on its
1203 behalf.



1204 (2) Any bonds issued by the authority under this chapter,
1205 their transfer and the income therefrom shall at all times be free
1206 from taxation by the state or any local unit or political
1207 subdivision or other instrumentality of the state, excepting
1208 inheritance and gift taxes.

1209 **SECTION 26.** All bonds issued under the provisions of this
1210 chapter shall be legal investments for trustees, other
1211 fiduciaries, savings banks, trust companies and insurance
1212 companies organized under the laws of the State of Mississippi,
1213 and such bonds shall be legal securities which may be deposited
1214 with and shall be received by all public officers and bodies of
1215 the state and all municipalities and other political subdivisions
1216 thereof for the purpose of securing the deposit of public funds.

1217 **SECTION 27.** The state hereby covenants with the registered
1218 owners of any bonds of the utility authority that so long as the
1219 bonds are outstanding and unpaid, the state will not limit or
1220 alter the rights and powers of the authority under this chapter to
1221 conduct the activities referred to herein in any way pertinent to
1222 the interests of the bondholders, including, without limitation,
1223 the authority's right to charge and collect rates, fees,
1224 assessments and charges and to fulfill the terms of any covenants
1225 made with the registered owners of the bonds, or in any other way
1226 impair the rights and remedies of the registered owners of the
1227 bonds, unless provision for full payment of such bonds, by escrow
1228 or otherwise, has been made pursuant to the terms of the bonds or



1229 the resolution, trust indenture or security interest securing the
1230 bonds.

1231 **SECTION 28.** For the purposes of satisfying any temporary
1232 cash flow demands and deficiencies, and to maintain a working
1233 balance for the utility authority, the state, county,
1234 municipalities or public agencies within the geographic boundaries
1235 of the authority, or other persons, subject to their lawful
1236 authority to do so, are authorized to advance, at any time, such
1237 funds which in their discretion are necessary, or borrow such
1238 funds by issuance of notes, for initial capital contribution, and
1239 to cover start-up costs until such times as sufficient bonds,
1240 assets and revenues have been secured to satisfy the needs of the
1241 authority for its management, operation and formation. To this
1242 end, the state, county, municipality, public agency or person,
1243 subject to its lawful authority to do so, shall advance such
1244 funds, or borrow such funds by issuance of notes, under such terms
1245 and conditions as may be provided by resolution of the governing
1246 body, or other persons as defined in this chapter, subject to
1247 their lawful authority to do so, except that each such resolution
1248 shall state:

- 1249 (a) The need for the proceeds advanced or borrowed;
1250 (b) The amount to be advanced or the amount to be
1251 borrowed;



1252 (c) The maximum principal amount of any note issued the
1253 interest rate or maximum interest rate to be incurred, and the
1254 maturity date of said note;

1255 (d) In addition, the governing body, or other persons
1256 as defined in this chapter, subject to their lawful authority to
1257 do so, may arrange for lines of credit with any bank, firm or
1258 person for the purpose of providing an additional source of
1259 repayment for notes issued pursuant to this section. Amounts
1260 drawn on a line of credit may be evidenced by negotiable or
1261 nonnegotiable notes or other evidences of indebtedness and contain
1262 such terms and conditions as the governing body, or other persons
1263 as defined in this chapter, subject to their lawful authority to
1264 do so, may authorize in the resolution approving the same;

1265 (e) The governing body of the county, municipalities or
1266 other persons as defined in this chapter, subject to their lawful
1267 authority to do so, may authorize the repayment of such advances,
1268 notes, lines of credit and other debt incurred under this section,
1269 along with all costs associated with the same, including, but not
1270 limited to, rating agency fees, printing costs, legal fees, bank
1271 or trust company fees, line of credit fees and other charges to be
1272 reimbursed by the authority under such terms and conditions as are
1273 reasonable and are to be provided for by resolution of the
1274 governing body, or terms agreed upon with other persons as defined
1275 in this chapter, subject to their lawful authority to do so; and



1276 (f) In addition, the governing body of the county,
1277 municipality or public agency may lease or donate office space and
1278 equipment to the authority under such terms and conditions as are
1279 reasonable and are to be provided for by resolution of the
1280 governing body, or terms agreed upon by the authority.

1281 **SECTION 29.** This act, being necessary for the welfare of the
1282 state and its inhabitants, shall be liberally construed to effect
1283 the purposes thereof. If any section, provision, paragraph,
1284 sentence, phrase or word of this act shall be held invalid by any
1285 court of competent jurisdiction, the remainder of this act shall
1286 not be affected thereby.

1287 **SECTION 30.** Sections 1 and 3 through 28 of this act shall be
1288 codified as a separate chapter in Title 51, Mississippi Code of
1289 1972.

1290 **SECTION 31.** This act shall take effect and be in force from
1291 and after July 1, 2024.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO ENACT THE MISSISSIPPI CAPITOL REGION UTILITY ACT;
2 TO ESTABLISH THE MISSISSIPPI CAPITOL REGION UTILITY AUTHORITY; TO
3 PROVIDE FOR THE APPOINTMENT OF A PRESIDENT AND A BOARD OF
4 DIRECTORS FOR SUCH AUTHORITY; TO CLARIFY THE POWERS AND DUTIES OF
5 SUCH BOARD; TO ENSURE ACCESS TO SAFE, CLEAN AND RELIABLE WATER AND
6 WASTEWATER SYSTEMS FOR THE CITIZENS OF CENTRAL MISSISSIPPI; AND
7 FOR RELATED PURPOSES.

