

By: Representatives Mayo, Jennings, McBride,
Robertson, Woods

To: Local and Private
Legislation

HOUSE BILL NO. 1876

1 AN ACT TO AMEND CHAPTER 1039, LOCAL AND PRIVATE LAWS OF 1999,
2 TO REVISE THE DUTIES AND MEMBERSHIP TERMS OF THE BOARD OF
3 DIRECTORS OF THE DESOTO COUNTY REGIONAL UTILITY AUTHORITY; AND FOR
4 RELATED PURPOSES.

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

6 **SECTION 1.** Chapter 1039, Local and Private Laws of 1999, is
7 amended as follows:

8 Section 1. The purpose of this act is to authorize a
9 cooperative effort by any contiguous area situated within DeSoto
10 County, including the areas situated within the corporate
11 boundaries of any existing municipality and other eligible
12 municipalities, public agencies and political subdivisions, for
13 the acquisition, construction and operation of user funded
14 sewerage systems, sewage treatment systems, and water, wastewater
15 and wastewater treatment systems, in order to prevent and control
16 the pollution of the waters in this state by the creation of a
17 DeSoto County Regional Utility Authority. This act may be cited
18 as the "DeSoto County Regional Utility Authority Act."

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

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

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

27 (c) "Bonds" means revenue bonds and interim notes
28 having a maturity of three (3) years or less, and other



29 certificates of indebtedness of the district issued under the
30 provisions of this act.

31 (d) "Groundwater" means that water occurring beneath
32 the surface of the ground.

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

36 (f) "Horn Lake Creek Basin Interceptor Sewer District"
37 means the entity created by Chapter 627, Local and Private Laws of
38 1971, as amended by Chapter 952, Local and Private Laws of 1980,
39 as amended by Chapter 880, Local and Private Laws of 1990, as
40 amended by Chapter 910, Local and Private Laws of 1992.

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

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

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



62 (j) "Municipality" means any incorporated city, town,
63 or village of the State of Mississippi, whether operating under
64 general law or under special charter, lying wholly or partly
65 within the metropolitan area.

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

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

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

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



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

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

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

113 (r) "Water supply system" means pipelines, conduits,
114 pumping stations and all other structures, devices and appliances
115 appurtenant thereto, including land and right-of-way thereto, for
116 use for transporting water to a point of ultimate use.

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

122 Section 3. (1) The formation of the DeSoto County Regional
123 Utility Authority, hereinafter referred to as the authority, shall
124 be conducted in accordance with the provisions of this section.
125 The DeSoto County Board of Supervisors is authorized to file a
126 petition with the Chancery Court of DeSoto County, for approval of
127 the formation of the DeSoto County Regional Utility Authority,



128 which may be joined in by any municipality or public agency lying
129 wholly or partly within the metropolitan area, for the
130 organization of the authority in this state. When organized in
131 accordance with the provisions of this act, the authority shall be
132 a political subdivision of the State of Mississippi and shall have
133 the powers granted to the authority under this act.

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

137 (i) A petition for the organization of a DeSoto
138 County Regional Utility Authority must be presented to the DeSoto
139 County Board of Supervisors, signed by not less than twenty-five
140 (25) owners of real property residing within the boundaries of the
141 proposed district; or

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

144 (b) The petition or resolution shall include the
145 following:

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

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

149 (iii) The proposed boundaries of the district;

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

155 (v) A statement of whether the DeSoto County Board
156 of Supervisors intends to levy a tax in support of the authority;
157 and

158 (vi) A statement of whether the DeSoto County
159 Board of Supervisors intends to make assessments in support of the
160 authority.



161 (3) Any petition for formation shall be signed in person by
162 the petitioners, shall set forth their respective addresses, and
163 shall be accompanied by a sworn statement that each signature is
164 the signature of the person it purports to be and that each person
165 so signing was at the time of signing an owner of real property
166 within DeSoto County.

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

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

190 (6) Upon the public hearing, should the DeSoto County Board
191 of Supervisors determine that the public convenience and necessity
192 require the creation of the district, and that the creation of the
193 district is economically sound and desirable, the DeSoto County



194 Board of Supervisors shall adopt a resolution making the aforesaid
195 findings and declaring its intention to create the authority on a
196 date to be specified and designating the name of the proposed
197 district and its territorial limits. The resolution shall further
198 state the authority of the authority to levy taxes and make
199 assessments.

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

210 (8) If twenty percent (20%) or one thousand five hundred
211 (1,500), whichever is less, of the qualified electors of the
212 proposed district file a written petition with the DeSoto County
213 Board of Supervisors on or before the date specified for the
214 creation of the authority, protesting against the creation of such
215 district, the DeSoto County Board of Supervisors shall call an
216 election on the question of the creation of such district. Such
217 election shall be held and conducted by the election commissioners
218 of the county as nearly as practicable in accordance with the
219 general laws governing elections, the election commissioners shall
220 determine which of the qualified electors of such county who
221 reside within the proposed metropolitan area plan shall be
222 entitled to vote in such election. Notice of the election setting
223 forth the time, place or places, and purpose of such election
224 shall be published by the Clerk of the DeSoto County Board of
225 Supervisors, within the time periods and in the manner provided in
226 Section 3(5) of this act for the publication of the resolution of



227 intent. The ballots to be prepared and used at the election shall
228 be in substantially the following form:

229 FOR CREATION OF DESOTO COUNTY REGIONAL UTILITY AUTHORITY

230 DISTRICT ()

231 AGAINST CREATION OF DESOTO COUNTY REGIONAL UTILITY AUTHORITY

232 DISTRICT ()

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

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

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



260 organize the DeSoto County Regional Utility Authority under the
261 provisions of this act, describe the proposed metropolitan area,
262 and command that any interested persons appear before the DeSoto
263 County Chancery Court or the chancellor in vacation on the date
264 and hour of the hearing to show cause, if any they can, why the
265 proposed authority should not be organized and established as set
266 forth in the resolution of the DeSoto County Board of Supervisors.

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

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

291 (10) When so organized, the authority shall have the power
292 to sue and be sued, provided that the authority shall not be



293 liable and shall be immune from suit at law or in the equity on
294 account of any wrongful or tortious act or omission, including
295 libel, slander or defamation, by it, or any such act or omission
296 by any employee of the authority, subject to and in accordance
297 with the provisions of Sections 11-46-1 through 11-46-19.

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

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

309 (a) The governing body of each member agency of the
310 authority shall appoint one (1) person to serve on the board of
311 directors of the authority, with no more than five (5) persons
312 being appointed by said member agencies. Further, the DeSoto
313 County Board of Supervisors shall appoint that number of persons
314 necessary to fill the board of directors should less than five (5)
315 be appointed by the member agencies, however, there shall be at
316 all times a minimum of two (2) at-large members appointed by the
317 DeSoto County Board of Supervisors.

318 (b) Upon their initial appointment, one (1) of the
319 directors shall be appointed for a term of one (1) year; one (1)
320 of the directors shall be appointed for a term of two (2) years;
321 one (1) of the directors shall be appointed for a term of three
322 (3) years; one (1) of the directors shall be appointed for a term
323 of four (4) years; one (1) of the directors shall be appointed for
324 a term of five (5) years. Additionally, of those appointees
325 designated as at-large appointees by the DeSoto County Board of



326 Supervisors, one (1) of the at-large directors shall be appointed
327 for a term of two (2) years; and one (1) of the at-large directors
328 shall be appointed for a term of four (4) years. At the
329 expiration of the initial terms, each director shall thereafter be
330 appointed to a term of four (4) years. Any vacancy arising by the
331 expiration of a director's term, or a vacancy created by the
332 removal of a director for any other reason, shall be filled by
333 appointment made by the party originally responsible for the
334 appointment of the director vacating his or her appointment.

335 (c) Notwithstanding the appointive authority herein
336 granted to the DeSoto County Board of Supervisors, its legal and
337 actual responsibilities, authority and function, subsequent to the
338 creation of the authority, shall be specifically limited to such
339 appointive function and responsibilities.

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

347 (e) The board of directors of the authority shall elect
348 annually from its number a president and vice president of the
349 district and such other officers as, in the judgment of the board,
350 are necessary. The president shall be the chief executive officer
351 of the authority and the presiding officer of the board, and shall
352 have the same right to vote as any other director. The vice
353 president shall perform all duties and exercise all powers
354 conferred by this act upon the president when the president is
355 absent or fails or declines to act, except the president's right
356 to vote. The board also shall appoint a secretary and a treasurer
357 who may or may not be members of the board, and it may combine
358 those offices. The treasurer shall give bond in the sum of not



359 less than Fifty Thousand Dollars (\$50,000.00) as set by the board
360 of directors, and each director may be required to give bond in
361 the sum of not less than Ten Thousand Dollars (\$10,000.00), with
362 sureties qualified to do business in this state, and the premiums
363 on said bonds shall be an expense of such authority. Each such
364 bond shall be payable to the State of Mississippi; the condition
365 of each such bond shall be that the treasurer or director will
366 faithfully perform all duties of his office and account for all
367 money or other assets which shall come into his custody as
368 treasurer or director of the authority.

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

378 Section 5. (1) Except as may otherwise be provided for in
379 this act, all business of the authority shall be transacted by
380 vote of the board of directors.

381 (2) Except as provided in Section 4 and Section 10, all
382 business of the authority shall be transacted by a simple majority
383 affirmative vote of the total membership of the board of directors
384 and by a concurrent vote of the directors representing the simple
385 majority of the total flowage usage of the treatment systems of
386 the authority during the preceding fiscal year. The quorum for
387 any meeting of the board of directors shall be a simple majority
388 of the total membership of the board of directors and the presence
389 of directors representing a simple majority of the proportional
390 use of the treatment systems of the authority during the fiscal
391 year.



392 Section 6. (1) The authority is authorized and empowered to
393 acquire water and sewer trunk lines; to acquire, construct,
394 improve, enlarge, extend, repair, operate and maintain one or more
395 of its systems used for the collection, transportation, treatment
396 and treatment of water, sewerage and wastewater; and to make
397 contracts with any person in furtherance thereof; and to make
398 contracts with any person, under the terms of which the authority,
399 within its designated metropolitan area, will collect, transport,
400 treat or dispose of water, sewerage and wastewater for such
401 person. The authority also may enter into contracts with any
402 person to design and construct any water, sewerage or wastewater,
403 treatment systems, or any other of its treatment facilities or
404 systems and thereafter to purchase, lease or sell, by installments
405 over such terms as may be deemed desirable, reasonable and
406 necessary, or otherwise, any such system or systems. The
407 authority is authorized to enter into operating agreements with
408 any person, for such terms and upon such conditions as may be
409 deemed desirable, for the operation of any water, sewerage or
410 wastewater, treatment systems, or other of its treatment
411 facilities or systems; and the authority may lease to or from any
412 person, for such term and upon such conditions as may be deemed
413 desirable, any water, sewerage or wastewater, collection,
414 transportation, treatment, or its other treatment facilities or
415 systems. Any such contract may contain provisions requiring any
416 public agency or other person to regulate the quality and strength
417 of materials to be handled by the respective treatment system or
418 systems and also may provide that the authority shall have the
419 right to use any streets, alleys and public ways and places within
420 the jurisdiction of a public agency or other person during the
421 term of the contract.

422 (2) The authority shall have the duty and responsibility to
423 exercise general supervision over the design, construction,
424 operation and maintenance of water, sewerage or wastewater



425 treatment systems; to adopt rules governing the design,
426 construction or installation, operation and maintenance of water,
427 sewerage or wastewater treatment systems; to adopt rules
428 establishing performance standards for water, sewerage or
429 wastewater treatment systems and rules concerning the operation
430 and maintenance of the same. Such rules and regulations may
431 include the implementation of a standard application form for the
432 installation, operation and maintenance of such treatment systems;
433 application review; approval or denial procedures for any proposed
434 system; inspection, monitoring, and reporting guidelines; and
435 enforcement procedures.

436 (3) No owner, lessee, developer or person shall construct or
437 place a residence, building, facility or development which may
438 require the installation of a water, sewerage or wastewater
439 treatment system, nor shall any owner, lessee, developer or person
440 design, construct or install such a system, without having first
441 submitted a notice of intent to the authority. Upon receipt of
442 the notice of intent, the board of directors shall provide the
443 party giving notice with complete information regarding the rules,
444 regulations and guidelines for the design, construction,
445 installation, operation and maintenance of water, sewerage and
446 wastewater treatment systems. No water, sewerage or wastewater
447 treatment systems shall be installed without proof of the
448 submission of the notice of intent required by this section and
449 the approval of the same by the board of directors.

450 (4) Within ten (10) working days following the receipt of
451 complete information as required by the rules, regulations and
452 guidelines for the design, construction, installation, operation
453 and maintenance of water, sewerage and wastewater treatment
454 systems, as applicable, by an owner, lessee, developer or person
455 of any lot or tract of land, the board of directors shall make
456 recommendations to the owner, lessor, developer or person as to
457 the type or types of systems suitable for installation and



458 compatible with the existing treatment systems of the authority.
459 Approval by the board of directors of any system is required
460 before the installation, operation or maintenance of any system,
461 and no owner, lessee, developer or person shall design, construct
462 or install a system that does not comply with this act; however,
463 the board of directors may grant variances from the requirements
464 of this act as deemed necessary and appropriate. Any owner,
465 lessee, developer or person responsible for the design,
466 construction or installation of a system shall sign and file with
467 the authority an affidavit that the system complies with this act
468 as a part of the complete information filing required in this
469 subsection (4).

470 (5) Nothing in this act shall preclude a professional
471 engineer from providing services for the design, construction or
472 installation of any water, sewerage and wastewater treatment
473 systems. However, any such engineer shall notify the authority in
474 writing of those services provided and shall stamp the appropriate
475 documentation with that professional's seal certifying the
476 approval of the board of directors of the design, construction and
477 installation.

478 (6) Any system of any municipality, public agency or other
479 persons which becomes connected with, or tied into, the treatment
480 systems of the authority, * * * shall be subject to its
481 jurisdiction and the terms of this act. * * *

482 Section 7. The authority, through its board of directors, in
483 addition to any and all powers now or hereafter granted to it, is
484 hereby empowered:

485 (a) To develop and maintain long-range planning for
486 collection and treatment systems of water, sewerage, wastewater
487 and groundwater from within the metropolitan area and for
488 pollution abatement.

489 (b) Any municipality, public agency or other person
490 being a member agency, or being connected with, or tied into, the



491 treatment systems of the collection, transportation and treatment
492 may agree to use its respective eminent domain powers for the
493 benefit of the authority and at the cost of the authority as set
494 forth hereinafter in this paragraph (b) to acquire such property,
495 easements, rights-of-way and other property interests as may be
496 required and requested by the board of directors.

497 The authority may reimburse or pay all costs, including
498 professional fees, along with damages awarded in connection with
499 the exercise of such eminent domain power to such member agency or
500 other entity which has agreed to exercise its eminent domain
501 powers under the terms of this act.

502 The amount and character of interest in land, other property,
503 and easements thus to be acquired shall be determined by the board
504 of directors, and their determination shall be conclusive and
505 shall not be subject to attack in the absence of manifold abuse of
506 discretion or fraud on the part of such board in making such
507 determination. However:

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

513 (ii) No person or persons owning the drilling
514 rights or the right to share in production shall be prevented from
515 exploring, developing or producing oil or gas with necessary
516 rights-of-way for ingress and egress, pipelines and other means of
517 transporting such interests on any land or interest thereon of the
518 authority held or used for the purposes of this act, but any such
519 activities shall be subject to and secondary to such reasonable
520 regulations by the board of directors as will adequately protect
521 the systems of the authority contemplated by this act; and

522 (iii) In acquiring lands, either by negotiation or
523 eminent domain through action of a member agency, the authority



524 shall acquire only any interest or rights in such facilities,
525 components and systems which are part of the regional plan
526 implemented by the authority.

527 (c) To acquire the necessary relocation or rerouting of
528 roads and highways, railroad, telephone and telegraph lines and
529 properties, electric power lines, gas pipelines and related
530 facilities, or to require the anchoring or other protection of any
531 of these, provided fair compensation is first paid to the owners
532 thereof or agreement is had with such owners regarding the payment
533 of the cost of such relocation, and to acquire easements or
534 rights-of-way for such relocation or rerouting and to convey the
535 same to the owners of the property being relocated or rerouted in
536 connection with the purpose of this act.

537 (d) To enter into contracts with any person or any
538 public agency, including, but not limited to, contracts authorized
539 by Section 8 of this act, in furtherance of any of the purposes
540 authorized by this act upon such consideration as the board of
541 directors and such person may agree. Any such contract may extend
542 over any period of time, notwithstanding any provision or rule of
543 law to the contrary; may be upon such terms as the parties thereto
544 shall agree; and may provide that it shall continue in effect
545 until bonds specified therein, refunding bonds issued in lieu of
546 such bonds, and all other obligations specified therein are paid
547 or terminated. Any such contract shall be binding upon the
548 parties thereto according to its terms.

549 (e) To make and enforce, and from time to time amend
550 and repeal, bylaws and rules and regulations for the management of
551 its business and affairs and for the construction, use,
552 maintenance and operation of any of the systems under its
553 management and control and any other of its properties.

554 (f) To employ staff and other personnel, including
555 attorneys, engineers and consultants as may be necessary to the
556 functioning of the authority. The board of directors, in its



557 discretion, may employ a general manager having the authority to
558 employ and fire employees of the authority.

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

562 (h) To establish and maintain rates and charges for the
563 use of the services of such of the systems and facilities within
564 the control of the authority, and within the metropolitan area,
565 and from time to time to adjust such rates, to the end that the
566 revenues therefrom will be sufficient at all times to pay the
567 expenses of operating and maintaining such of its works,
568 facilities and treatment systems and all of the municipality's
569 obligations under any contract or bond resolution with respect
570 thereto.

571 (i) To adopt rules and regulations necessary to carry
572 out the implementation of the metropolitan area plan and to assure
573 the payment of each participating person or public agency of its
574 proportionate share of the costs for use of any of the systems and
575 facilities of the authority.

576 (j) To refuse to receive waste from any public agency
577 or subdivision thereof not currently using any system and which
578 may be acquired or within the control of the authority, or any
579 other person that does not comply with the provisions of the
580 metropolitan area plan applicable to the particular area within
581 which such public agency or subdivision thereof or any other
582 person is located.

583 (k) To accept industrial wastewater from within the
584 boundaries of the authority for treatment and to require the
585 pretreatment of same when, in the opinion of the authority, such
586 pretreatment is necessary.

587 (l) To adopt all necessary and reasonable rules and
588 regulations to carry out and effectuate any waste treatment



589 systems or treatment system control plan of the authority as
590 adopted for the metropolitan area, as contractually authorized.

591 (m) So long as any indebtedness on the systems of the
592 authority remains outstanding, to require by contract with a
593 public agency, or other person, that all water, sewerage and
594 wastewater within the metropolitan area be disposed of through the
595 appropriate treatment system which comprise a part of the
596 metropolitan area plan, to the extent that the same may be
597 available, but no public agency shall be precluded from
598 constructing, operating and maintaining its own such system after
599 the current indebtedness owing on the system as of the effective
600 date of this act is paid in full.

601 (n) The authority shall not control or operate as part
602 of its authority the local retail wastewater and sewerage services
603 and shall not provide or be responsible for direct servicing of
604 said services to any residences, businesses and individuals.

605 Section 8. (1) Any public agency, pursuant to a duly
606 adopted resolution of the governing authority of such public
607 agency, may enter into contracts with the authority under the
608 terms of which the authority, within its designated metropolitan
609 area, will manage, operate, and contract for usage of its
610 treatment systems and treatment facilities, or other services, for
611 such person or public agency. Any public agency may also enter
612 into contracts with the authority for the authority to purchase or
613 sell, by installments over such terms as may be deemed desirable,
614 or otherwise, to any person any treatment systems. Any public
615 agency is authorized to enter into operating agreements with the
616 authority, for such terms and upon such conditions as may be
617 deemed desirable, for the operation of any of its treatment
618 systems of any person by the authority or by any person
619 contracting with the authority to operate such treatment systems;
620 and any public agency may lease to or from the authority, for such
621 term and upon such conditions as may be deemed desirable, any of



622 its treatment systems. Any such contract may contain provisions
623 requiring any public agency or other person to regulate the
624 quality and strength of the material to be handled by the water,
625 wastewater, or sewage systems and may also provide that the
626 authority shall have the right to use any streets, alleys and
627 public ways and places within the jurisdiction of a public agency
628 or other person during the term of the contract. Such contracts
629 may obligate the public agency to make payments to the authority
630 or to a trustee in amounts which shall be sufficient to enable the
631 authority to defray the expenses of administering, operating and
632 maintaining its respective systems, to pay interest and principal
633 (whether at maturity upon redemption or otherwise) on bonds of the
634 authority, issued under this act and to fund reserves for debt
635 service, for operation and maintenance and for renewals and
636 replacements, and to fulfill the requirements of any rate covenant
637 with respect to debt service coverage contained in any resolution,
638 trust indenture or other security agreement relating to the bonds
639 of the authority issued under this act. Any public agency shall
640 have the power to enter into such contracts with the authority as
641 in the discretion of the governing authorities of the agency would
642 be in the best interest of the agency. Such contracts may include
643 a pledge of the full faith and credit of such public agency and/or
644 the avails of any special assessments made by such public agency
645 against property receiving benefits, as now or hereafter is
646 provided by law. Any such contract may provide for the sale, or
647 lease to, or use of by the authority, of the systems or any part
648 thereof, of the public agency; and may provide that the authority
649 shall operate its systems or any part thereof of the public
650 agency; and may provide that any public agency shall have the
651 right to continued use and/or priority use of the systems or any
652 part thereof during the useful life thereof upon payment of
653 reasonable charges therefor; and may contain provisions to assure
654 equitable treatment of persons or public agencies who contract



655 with the authority under this act; and may contain such other
656 provisions and requirements as the parties thereto may determine
657 to be appropriate or necessary. Such contracts may extend over
658 any period of time, notwithstanding any provisions of law to the
659 contrary, and may extend beyond the life of the respective systems
660 or any part thereof or the term of the bonds sold with respect to
661 such facilities or improvements thereto.

662 (2) The obligations of a public agency arising under the
663 terms of any contract referred to in this act, whether or not
664 payable solely from a pledge of revenues, shall not be included
665 within the indebtedness limitations of the public agency for
666 purposes of any constitutional or statutory limitation or
667 provision. To the extent provided in such contract and to the
668 extent such obligations of the public agency are payable wholly or
669 in part from the revenues and other monies derived by the public
670 agency from the operation of its treatment systems or of its
671 combined treatment systems, waterworks and water supply systems or
672 any part thereof, such obligations shall be treated as expenses of
673 operating such systems.

674 (3) Contracts referred to in this section may also provide
675 for payments in the form of contributions to defray the cost of
676 any purpose set forth in the contracts and as advances for the
677 respective systems or any part thereof subject to repayment by the
678 authority. A public agency may make such contributions or
679 advances from its general fund or surplus fund or from special
680 assessments or from any monies legally available therefor.

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

685 (5) Subject to the terms of a contract or contracts referred
686 to in this act, the authority is hereby authorized to do and
687 perform any and all acts or things necessary, convenient or



688 desirable to carry out the purposes of such contracts, including
689 the fixing, charging, collecting, maintaining and revising of
690 rates, fees and other charges for the services rendered to any
691 user of any of the systems operated or maintained by the
692 authority, whether or not such systems are owned by the authority.

693 (6) No provision of this act shall be construed to prohibit
694 any public agency, otherwise permitted by law to issue bonds, from
695 issuing bonds in the manner provided by law for the construction,
696 renovation, repair or development of any of the authority's
697 treatment systems, or any part thereof, owned or operated by such
698 public agency.

699 Section 9. Whenever a public agency shall have executed a
700 contract under this act and the payments thereunder are to be made
701 either wholly or partly from the revenues of the public agency's
702 treatment systems, or any part thereof, or a combination of such
703 systems, the duty is hereby imposed on the public agency to
704 establish and maintain and from time to time to adjust the rates
705 charged by the public agency for the services of such treatment
706 systems, so that the revenues therefrom together with any taxes
707 and special assessments levied in support thereof will be
708 sufficient at all times to pay: (a) the expense of operating and
709 maintaining such treatment systems including all of the public
710 agency's obligations to the authority, its successors or assigns
711 under such contract; and (b) all of the public agency's
712 obligations under and in connection with revenue bonds theretofore
713 issued, or which may be issued thereafter and secured by the
714 revenues of such treatment systems. Any such contract may require
715 the use of consulting engineers and financial experts to advise
716 the public agency whether and when such rates are to be adjusted.

717 Section 10. (1) The DeSoto County Regional Utility
718 Authority shall have the power and is hereby authorized, from time
719 to time, to borrow money and to issue revenue bonds in such
720 principal amounts, up to a maximum amount of Forty Million Dollars



721 (\$40,000,000.00), as the DeSoto County Regional Utility Authority
722 may determine to be necessary to provide sufficient funds for
723 achieving the purposes of this act, including, (a) defraying the
724 cost of the acquisition of water and sewer trunk lines and the
725 acquisition, construction, improvement, repair or extension of its
726 treatment systems, or any part thereof, whether or not such
727 facilities are owned by the authority; (b) the payment of interest
728 on bonds of the authority issued under this act; (c) establishing
729 reserves to secure such bonds and payment of the interest thereon;
730 (d) paying expenses incident to the issuance of such bonds and to
731 the implementation of the authority's systems, and all other
732 expenditures of the authority incident to or necessary or
733 convenient to carry out the purposes of this act.

734 (2) Before issuing bonds (other than interim notes or
735 refunding bonds as provided in Section 11 of this act) hereunder,
736 the board of directors of the authority first shall hold a public
737 hearing before the governing authorities of each affected public
738 agency with due notice of the time, date and place of said hearing
739 published in a newspaper of general circulation in each said
740 public agency. Upon an affirmative vote of the board of directors
741 approving the resolution of intent, the board of directors shall
742 adopt a resolution declaring its intention to issue such bonds and
743 stating the maximum principal amount of bonds proposed to be
744 issued, a general generic description of the proposed improvements
745 and the proposed location thereof and the date, time and place at
746 which the board of directors proposes to take further action with
747 respect to the issuance of such bonds. The board of directors
748 then shall cause the resolution of intent to be published once a
749 week for at least three (3) consecutive weeks in at least one (1)
750 newspaper having a general circulation within the geographical
751 limits of all of the public agencies: (a) which have contracted
752 with the authority pursuant to this act; and (b) whose contracts
753 relate to the bonds proposed to be issued.



754 Each member agency which meets all of the criteria set forth
755 in paragraphs (a) and (b) of this subsection is hereinafter
756 referred to as an "affected member agency," and, together with
757 other such agencies, collectively referred to as the "affected
758 member agencies."

759 If no newspaper has a general circulation within the
760 geographical limits of all of the affected member agencies, then
761 such resolution shall be published in as many different newspapers
762 as may be required to provide general circulation of the
763 publication of such resolution within the geographical limits of
764 each affected member agency. If no newspaper has a general
765 circulation within the geographical limits of any particular
766 affected member agency, then notice in such affected member agency
767 shall be made by posting a copy of such resolution for at least
768 twenty-one (21) days next preceding the date therein at two (2)
769 public places within the geographical limits of such member
770 agency. The first publication of such resolution shall be made
771 not less than twenty-one (21) days before the date fixed in such
772 resolution to direct the issuance of the bonds and the last
773 publication shall be made not more than seven (7) days before such
774 date. If twenty percent (20%) of the qualified electors residing
775 in the authority or one thousand five hundred (1,500), whichever
776 is less, shall file a written protest against the issuance of such
777 bonds on or before the date specified in such resolution, then an
778 election on the question of the issuance of such bonds shall be
779 called and held as herein provided. If no such protest be filed,
780 then such bonds may be issued without an election on the question
781 of the issuance thereof at any time within a period of two (2)
782 years after the date specified in the above-mentioned resolution.
783 Where an election is to be called, notice of such election shall
784 be signed by the president of the board of directors, and shall be
785 published once a week for at least three (3) consecutive weeks in
786 the same manner as publication of the resolution. The first



787 publication of such notice shall be made not less than twenty-one
788 (21) days before the date fixed for such election and the last
789 publication shall be made not more than seven (7) days before such
790 date. The election shall be conducted by the election
791 commissioners of the county in which the authority is located.
792 The election shall be held, as far as is practicable, in the same
793 manner as other county special elections are held in the county
794 where the authority is located. At the election, all qualified
795 electors residing in the authority may vote, and the ballots used
796 at such election shall have printed thereon a brief statement of
797 the amount and purpose of the proposed bond issue and the words
798 "FOR THE BOND ISSUE" and "AGAINST THE BOND ISSUE," and the voter
799 shall vote by placing a cross (X) opposite his choice on the
800 proposition. When the results of the election on the question of
801 the issuance of such bonds shall have been canvassed by the
802 election commissioners of the county, in which the authority is
803 located, and certified by them to the board of directors of the
804 authority, it shall be the duty of the board of directors of the
805 authority to determine and adjudicate whether or not a majority of
806 the qualified electors who voted thereon in such election voted in
807 favor of the issuance of such bonds, and unless a majority of the
808 qualified electors who voted thereon in such election shall have
809 voted in favor of the issuance of such bonds, then such bonds
810 shall not be issued. Should a majority of the qualified electors
811 who vote thereon in such election vote in favor of the issuance of
812 such bonds, then the board of directors may issue such bonds,
813 either in whole or in part, within two (2) years after the date of
814 the election or the date of the final favorable termination of any
815 litigation affecting the issuance of such bonds.

816 (3) Bonds of the authority issued under this act shall be
817 payable from and secured by a pledge of all or any part of the
818 revenues under any contract entered into pursuant to this act and
819 from all or any part of the revenues derived from the operation of



820 the treatment systems, or any part thereof, and any other monies
821 legally available therefor, as may be determined by the authority,
822 subject only to any agreement with the purchasers of the bonds.
823 Such bonds may be further secured by a trust indenture between the
824 authority and a corporate trustee, which may be any trust company
825 or bank having powers of a trust company without or within the
826 state.

827 (4) Bonds of the authority issued under this act shall be
828 authorized by a resolution or resolutions adopted by the board of
829 directors of the authority. Such bonds shall bear such date or
830 dates, mature at such time or times, bear interest at such rate or
831 rates (not exceeding the maximum rate set out in Section
832 75-17-103), be in such denomination or denominations, be in such
833 form, carry such conversion privileges, have such rank or
834 priority, be executed in such manner and by such officers, be
835 payable from such sources in such medium of payment at such place
836 or places within or without the state, provided that one (1) such
837 place shall be within the state, and be subject to such terms of
838 redemption prior to maturity, all as may be provided by resolution
839 or resolutions of the board of directors.

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

846 (6) Any pledge of earnings, revenues or other monies made by
847 the authority shall be valid and binding from the time the pledge
848 is made. The earnings, revenues or other monies so pledged and
849 thereafter received by the authority shall immediately be subject
850 to the lien of such pledge without any physical delivery thereof
851 or further act, and the lien of any such pledge shall be valid and
852 binding as against all parties having claims of any kind in tort,



853 contract or otherwise against the authority irrespective of
854 whether such parties have notice thereof. Neither the resolution
855 nor any other instrument by which a pledge is created need be
856 recorded.

857 (7) Neither the members of the board of directors nor any
858 person executing the bonds shall be personally liable on the bonds
859 or be subject to any personal liability or accountability by
860 reason of the issuance thereof.

861 (8) Proceeds from the sale of bonds of the authority may be
862 invested, pending their use, in such securities as may be
863 specified in the resolution authorizing the issuance of the bonds
864 or the trust indenture securing them, and the earnings on such
865 investments applied as provided in such resolution or trust
866 indenture.

867 (9) Whenever any bonds shall have been signed by the
868 officer(s) designated by the resolution of the board of directors
869 to sign the bonds, who were in office at the time of such signing,
870 but who may have ceased to be such officer(s) prior to the sale
871 and delivery of such bonds, or who may not have been in office on
872 the date such bonds may bear, the manual or facsimile signatures
873 of such officer(s) upon such bonds shall nevertheless be valid and
874 sufficient for all purposes and have the same effect as if the
875 person so officially executing such bonds had remained in office
876 until the delivery of the same to the purchaser or had been in
877 office on the date such bonds may bear.

878 Section 11. The authority, by resolution adopted by its
879 board of directors, may issue refunding bonds for the purpose of
880 paying any of its bonds at or prior to maturity or upon
881 acceleration or redemption. Refunding bonds may be issued at such
882 time prior to the maturity or redemption of the refunded bonds as
883 the board of directors deems to be in the public interest, without
884 an election on the question of the issuance thereof. The
885 refunding bonds may be issued in sufficient amounts to pay or



886 provide the principal of the bonds being refunded, together with
887 any redemption premium thereon, any interest accrued or to accrue
888 to the date of payment of such bonds, the expenses of issue of the
889 refunding bonds, the expenses of redeeming the bonds being
890 refunded, and such reserves for debt service or other capital or
891 current expenses from the proceeds of such refunding bonds as may
892 be required by the resolution, trust indenture or other security
893 instruments. The issue of refunding bonds, the maturities and
894 other details thereof, the security therefor, the rights of the
895 holders and the rights, duties and obligations of the authority in
896 respect to the same shall be governed by the provisions of this
897 act relating to the issue of bonds other than refunding bonds
898 insofar as the same may be applicable. Any such refunding may be
899 effected, whether the obligations to be refunded shall have then
900 matured or shall thereafter mature, either by the exchange of the
901 refunding bonds for the obligations to be refunded thereby with
902 the consent of the holders of the obligations so to be refunded,
903 or by sale of the refunding bonds and the application of the
904 proceeds thereof to the payment of the obligations proposed to be
905 refunded thereby, and regardless of whether the obligations
906 proposed to be refunded shall be payable on the same date or
907 different dates or shall be due serially or otherwise.

908 Section 12. All bonds (other than refunding bonds, interim
909 notes and certificates of indebtedness, which may be validated)
910 issued pursuant to this act shall be validated as now provided by
911 law in Sections 31-13-1 through 31-13-11, which constitute the
912 Validation of Public Bonds Act, except that notice of such
913 validation proceedings shall be addressed to the taxpayers of the
914 respective member agencies (a) which have contracted with the
915 authority under this act, and (b) whose contracts, and the
916 payments to be made by the public agencies thereunder, constitute
917 security for the bonds of the authority proposed to be issued.
918 Such notice shall be published at least once in a newspaper or



919 newspapers having a general circulation within the geographical
920 boundaries of each of the member agencies to whose taxpayers the
921 notice is addressed. Such validation proceedings shall be
922 instituted in the Chancery Court of DeSoto County. The validity
923 of the bonds so validated, and of the contracts and payments to be
924 made by the public agencies, thereunder constituting security for
925 the bonds, shall be forever conclusive against the authority and
926 the public agencies which are parties to said contracts; and the
927 validity of said bonds and said contracts and the payments to be
928 made thereunder shall never be called in question in any court in
929 this state.

930 Section 13. Bonds issued under the provisions of this act
931 shall be payable solely from the revenues or assets of the
932 authority pledged therefor. Each bond issued under this act shall
933 contain on the face thereof a statement to the effect that the
934 authority shall not be obligated to pay the same nor the interest
935 thereon except from the revenues or assets pledged therefor.

936 Section 14. The authority shall have power in connection
937 with the issuance of its bonds to:

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

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

942 (c) Covenant to charge rates, fees and charges
943 sufficient to meet operating and maintenance expenses, renewals
944 and replacements, principal and debt service on bonds, creation
945 and maintenance of any reserves required by a bond resolution,
946 trust indenture or other security instrument and to provide for
947 any margins or coverages over and above debt service on the bonds
948 deemed desirable for the marketability of the bonds.

949 (d) Covenant and prescribe as to events of default and
950 terms and conditions upon which any or all of its bonds shall
951 become or may be declared due before maturity, as to the terms and



952 conditions upon which such declaration and its consequences may be
953 waived and as to the consequences of default and the remedies of
954 the registered owners of the bonds.

955 (e) Covenant as to the mortgage or pledge of or the
956 grant of a security interest in any real or personal property and
957 all or any part of the revenues from any treatment systems, or any
958 part thereof, or any revenue-producing contract or contracts made
959 by the authority with any person to secure the payment of bonds,
960 subject to such agreements with the registered owners of bonds as
961 may then exist.

962 (f) Covenant as to the custody, collection, securing,
963 investment and payment of any revenues, assets, monies, funds or
964 property with respect to which the authority may have any rights
965 or interest.

966 (g) Covenant as to the purposes to which the proceeds
967 from the sale of any bonds then or thereafter to be issued may be
968 applied, and the pledge of such proceeds to secure the payment of
969 the bonds.

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

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

975 (j) Covenant as to the procedure by which the terms of
976 any contract with or for the benefit of the registered owners of
977 bonds may be amended or abrogated, the amount of bonds the
978 registered owners of which must consent thereto, and the manner in
979 which such consent may be given.

980 (k) Covenant as to the custody of any of its properties
981 or investments, the safekeeping thereof, the insurance to be
982 carried thereon, and the use and disposition of insurance
983 proceeds.



984 (1) Covenant as to the vesting in a trustee or
985 trustees, within or outside the state, of such properties, rights,
986 powers and duties in trust as the authority may determine.

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

990 (n) Make all other covenants and to do any and all such
991 acts and things as may be necessary or convenient or desirable in
992 order to secure its bonds, or in the absolute discretion of the
993 district tend to make the bonds more marketable, notwithstanding
994 that such covenants, acts or things may not be enumerated herein;
995 it being the intention hereof to give the authority the power to
996 do all things in the issuance of bonds and in the provisions for
997 security thereof which are not inconsistent with the Constitution
998 of this state.

999 (o) Execute all instruments necessary or convenient in
1000 the exercise of the powers herein granted or in the performance of
1001 covenants or duties, which may contain such covenants and
1002 provisions, as any purchaser of the bonds of the authority may
1003 reasonably require.

1004 Section 15. For the purposes of satisfying any temporary
1005 cash flow demands and deficiencies, and to maintain a working
1006 balance for the authority, the DeSoto County Board of Supervisors,
1007 or other persons as defined in Section 2(k) of this act, subject
1008 to their lawful authority to do so, are authorized to advance, at
1009 any time, such funds which, in its discretion, are necessary, or
1010 borrow such funds by issuance of notes, for initial capital
1011 contribution and to cover start-up costs until such times as
1012 sufficient bonds, assets and revenues have been secured to satisfy
1013 the needs of the authority for its management, operation and
1014 formation. To this end, the DeSoto County Board of Supervisors,
1015 or other persons as defined in Section 2(k) of this act, subject
1016 to their lawful authority to do so, shall advance such funds, or



1017 borrow such funds by issuance of notes, under such terms and
1018 conditions as may be provided by resolution of the DeSoto County
1019 Board of Supervisors, or other persons as defined in Section 2(k)
1020 of this act, subject to their lawful authority to do so, except
1021 that each such resolution shall state:

1022 (a) The need for the proceeds advanced or borrowed;

1023 (b) The amount to be advanced or the amount to be
1024 borrowed;

1025 (c) The maximum principal amount of any note issued,
1026 the interest rate or maximum interest rate to be incurred, and the
1027 maturity date of said note.

1028 In addition, the DeSoto County Board of Supervisors, or other
1029 persons as defined in Section 2(k) of this act, subject to their
1030 lawful authority to do so, may arrange for lines of credit with
1031 any bank, firm or person for the purpose of providing an
1032 additional source of repayment for notes issued pursuant to this
1033 section. Amounts drawn on a line of credit may be evidenced by
1034 negotiable or nonnegotiable notes or other evidences of
1035 indebtedness and contain such terms and conditions as the DeSoto
1036 County Board of Supervisors, or other persons as defined in
1037 Section 2(k) of this act, subject to their lawful authority to do
1038 so, may authorize in the resolution approving the same.

1039 The DeSoto County Board of Supervisors, or other persons as
1040 defined in Section 2(k) of this act, subject to their lawful
1041 authority to do so, may authorize the repayment of such advances,
1042 notes, lines of credit and other debt incurred under this section,
1043 along with all costs associated with the same, including, but not
1044 limited to, rating agency fees, printing costs, legal fees, bank
1045 or trust company fees, line of credit fees and other charges to be
1046 reimbursed by the authority under such terms and conditions as are
1047 reasonable and are to be provided for by resolution of the DeSoto
1048 County Board of Supervisors, or terms agreed upon with other



1049 persons as defined in Section 2(k) of this act, subject to their
1050 lawful authority to do so.

1051 Section 16. The authority, in any authorizing resolution of
1052 the board of directors, trust indenture or other security
1053 instrument relating to its bonds, may provide for the appointment
1054 of a trustee who shall have such powers as are provided therein to
1055 represent the registered owners of any issue of bonds in the
1056 enforcement or protection of their rights under any such
1057 resolution, trust indenture or security instrument. The authority
1058 also may provide in such resolution, trust indenture or other
1059 security instrument that the trustee, or in the event that the
1060 trustee so appointed shall fail or decline to so protect and
1061 enforce such registered owners' rights then such percentage of
1062 registered owners as shall be set forth in, and subject to the
1063 provisions of, such resolution, trust indenture or other security
1064 interest, may petition the court of proper jurisdiction for the
1065 appointment of a receiver of the authority's treatment systems for
1066 the revenues of which are pledged to the payment of the principal
1067 of and interest on the bonds of such registered owners. Such
1068 receiver may exercise any power as may be granted in any such
1069 resolution, trust indenture or security instrument to enter upon
1070 and take possession of, acquire, construct or reconstruct or
1071 operate and maintain such sewage such as the authority treatment
1072 systems fix, charge, collect, enforce and receive all revenues
1073 derived from such of the systems or facilities and perform the
1074 public duties and carry out the contracts and obligations of the
1075 authority in the same manner as the authority itself might do, all
1076 under the direction of such court.

1077 Section 17. (1) The exercise of the powers granted by this
1078 act will be in all respects for the benefit of the people of the
1079 State of Mississippi, for their well-being and prosperity and for
1080 the improvement of their social and economic conditions, and the
1081 authority shall not be required to pay any tax or assessment on



1082 any property owned by the authority under the provisions of this
1083 act or upon the income therefrom; nor shall the authority be
1084 required to pay any recording fee or transfer tax of any kind on
1085 account of instruments recorded by it or on its behalf.

1086 (2) Any bonds issued by the authority under the provisions
1087 of this act, and their transfer and any income derived therefrom,
1088 shall at all times be free from taxation by the state or any local
1089 unit or political subdivision or other instrumentality of the
1090 state, excepting inheritance and gift taxes.

1091 Section 18. All bonds issued under the provisions of this
1092 act shall be legal investments for trustees, other fiduciaries,
1093 savings banks, trust companies and insurance companies organized
1094 under the laws of the State of Mississippi; and such bonds shall
1095 be legal securities which may be deposited with and shall be
1096 received by all public officers and bodies of the state and all
1097 municipalities and other political subdivisions thereof for the
1098 purpose of securing the deposit of public funds.

1099 Section 19. The State of Mississippi hereby covenants with
1100 the registered owners of any bonds of the authority that so long
1101 as the bonds are outstanding and unpaid the State of Mississippi
1102 will not limit or alter the rights and powers of the authority
1103 under this act to conduct the activities referred to herein in any
1104 way pertinent to the interests of the bondholders, including the
1105 authority's right to charge and collect rates, fees and charges
1106 and to fulfill the terms of any covenants made with the registered
1107 owners of the bonds, or in any other way impair the rights and
1108 remedies of the registered owners of the bonds, unless provision
1109 for full payment of such bonds, by escrow or otherwise, has been
1110 made under the terms of the bonds or the resolution, trust
1111 indenture or security interest securing the bonds.

1112 Section 20. The provisions of this act are cumulative to
1113 other statutes now or hereafter enacted relating to the issuance
1114 of bonds or the components which make up the authority's treatment



1115 systems and to the design, construction, acquisition or approval
1116 of facilities for such purposes, and any public agency may
1117 exercise all presently held powers in the furtherance of this act;
1118 provided that the authority may issue bonds only under the
1119 provisions of this act.

1120 Section 21. The Board of Supervisors of DeSoto County shall
1121 submit this act, immediately upon approval by the Governor, or
1122 upon approval by the Legislature subsequent to a veto, to the
1123 Attorney General of the United States or to the United States
1124 District Court for the District of Columbia in accordance with the
1125 provisions of the Voting Rights Act of 1965, as amended and
1126 extended.

1127 Section 22. This act shall take effect and be in force from
1128 and after the date that it is effectuated under Section 5 of the
1129 Voting Rights Act of 1965, as amended and extended.

1130 **SECTION 2.** This act shall take effect and be in force from
1131 and after its passage.

