

By: Senator(s) Parker

To: Economic and Workforce
Development

SENATE BILL NO. 2889
(As Passed the Senate)

1 AN ACT TO CREATE 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 FOR
6 THE CITIZENS OF CENTRAL MISSISSIPPI; AND FOR RELATED PURPOSES.

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

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

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

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

19 (b) The availability of safe, clean and reliable water,
20 wastewater and storm water has vast impacts on health, schools and



21 academic outcomes, crime and safety, state and local government
22 operations, businesses and economic development, the availability
23 of a workforce, tourism and many other critical areas;

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

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

42 (e) The receiver appointed by the U.S. District Court
43 for the Southern District of Mississippi provided in his January
44 27, 2023, plan for the water system that he would like a concept
45 for future governance in place by September 30, 2023, and a



46 utility authority or corporate nonprofit entity are viable options
47 for the concept of future governance;

48 (f) The creation and organization of a structure for
49 future governance requires legislation for it to continue in
50 perpetuity beyond the eventual end of the receiver's work and
51 related federal court orders; and

52 (g) The creation and organization of a structure for
53 future governance prior to the date of the conclusion of the
54 receiver's work will allow the best opportunity for minimal
55 disruption in water, wastewater and storm water service and
56 maximum ease of transition after the receiver has concluded his
57 work in overseeing and operating the water system.

58 (2) Therefore, it is the intent of the Mississippi
59 Legislature to:

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

69 (b) Partner with the Mississippi Department of Health,
70 Mississippi Department of Environmental Quality, local



71 governments, including the City of Jackson, within the boundaries
72 of the utility district, and any other federal, state or local
73 entity in taking any action necessary under this act to ensure all
74 citizens have access to safe, clean and reliable water, wastewater
75 and storm water systems, with the understanding that federal and
76 state agencies are solely responsible for regulating, but not
77 operating, the utility authority.

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

81 (a) "Act" means the Mississippi Capitol Region Utility
82 Act.

83 (b) "Board" means the Board of Directors of the
84 Mississippi Capitol Region Utility Authority.

85 (c) "Bonds" means revenue bonds and other certificates
86 of indebtedness of the authority issued under the provisions of
87 this act.

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

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

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



95 (g) "Person" means the State of Mississippi, a county,
96 a municipality, any state agency or any other city, town, village
97 or political subdivision or governmental agency or instrumentality
98 of the State of Mississippi or of the United States of America, or
99 any private utility, individual, copartnership, association, firm,
100 trust, estate or any other entity whatsoever.

101 (h) "Project" means the construction, development or
102 acquisition by the utility authority of any infrastructure for
103 water, wastewater and storm water systems or services and includes
104 upgrading or repair of existing systems.

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

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



120 (k) "Storm water" means any flow occurring during or
121 following any form of natural precipitation and resulting from
122 that precipitation.

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

133 (m) "Utility authority" shall mean the Mississippi
134 Capitol Region Utility Authority.

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

139 (o) "Water" means potable water, surface water and
140 groundwater.

141 **SECTION 4.** (1) There is hereby created and established a
142 corporate nonprofit known as the Mississippi Capitol Region
143 Utility Authority. The authority will be composed of geographic
144 areas receiving water, wastewater and storm water services from



145 the City of Jackson as of the date of enactment of this act for
146 the planning, acquisition, construction, maintenance, operation
147 and coordination of water, wastewater and storm water systems in
148 order to ensure the delivery of water, wastewater and storm water
149 services to citizens. Such utility authority is created solely to
150 accomplish the purposes of the State under this act and the
151 exercise by the utility authority of the powers conferred by this
152 act shall be deemed and held to be the performance of an essential
153 public function promoting the health, welfare and prosperity of
154 the general public. It is the intent of the Legislature that the
155 utility authority shall be accountable to ratepayers within the
156 systems through the audits, reports and disclosures required by
157 this act.

158 (2) The existence of the corporate nonprofit utility
159 authority, which shall be domiciled in the State of Mississippi,
160 shall begin upon the appointment of a majority of its board as
161 provided in Section 5 of this act.

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

166 (4) In the event of any action or matter against the utility
167 authority, the Chief Justice of the Mississippi Supreme Court
168 shall select an appropriate Circuit or Chancery Court, which shall



169 have exclusive jurisdiction over the matter. For purposes of
170 court costs, the utility authority shall be a private corporation.

171 (5) All funds provided by the federal government in H.R.
172 2617, the Consolidated Appropriations Act of 2023, and any other
173 funds provided by the state or federal government in response to
174 the water crisis detailed by the U.S. District Court for the
175 Southern District of Mississippi in Case No. 3:22-cv-00686, *United*
176 *States v. City of Jackson*, shall be spent according to the
177 direction of the receiver and federal court within the service
178 territory impacted by the water crisis and in accordance with
179 federal law.

180 **SECTION 5.** (1) The affairs of the utility authority shall
181 be administered by the Mississippi Capitol Region Utility
182 Authority Board of Directors. The board shall be composed of nine
183 (9) members to be selected as follows: the Mayor of the City of
184 Jackson, with the advice and consent of the Senate, shall appoint
185 four (4) members. The Governor, with the advice and consent of
186 the Senate, shall appoint three (3) members. The Governor shall
187 consult with the City of Byram to appoint one (1) of the three (3)
188 appointments, so long as the City of Byram is included within the
189 boundaries of the systems. The Lieutenant Governor, with the
190 advice and consent of the Senate, shall appoint two (2) members.
191 The Lieutenant Governor shall consult with the Mayor of the City
192 of Ridgeland to appoint one (1) of their two (2) appointments, so
193 long as the City of Ridgeland is included within the boundaries of



194 the systems. All members shall be appointed within sixty (60)
195 days of the enactment of this act.

196 In the appointment process, appointing authorities shall
197 attempt to see that all portions of society and its diversity are
198 represented in members of the utility authority. All appointed
199 members must be residents of the State of Mississippi, must be
200 ratepayers within the system boundaries, and must have
201 significant, demonstrated experience in business management,
202 fiscal affairs, public health or public utilities.

203 (2) The initial terms of the board of directors shall be as
204 follows: One (1) member appointed by the Mayor of the City of
205 Jackson shall serve for an initial term of four (4) years. One
206 (1) member appointed by the Mayor of the City of Jackson shall
207 serve for an initial term of three (3) years. One (1) member
208 appointed by the Mayor of the City of Jackson shall serve for an
209 initial term of two (2) years. One (1) member appointed by the
210 Mayor of the City of Jackson shall serve for an initial term of
211 one (1) year. The Governor shall appoint one (1) member for a
212 term of four (4) years, one (1) member for a term of three (3)
213 years, and one (1) member for a term of two (2) years. The
214 Lieutenant Governor shall appoint one (1) member for a term of
215 four (4) years and one (1) member for a term of three (3) years.

216 (3) Except as provided in Subsection 2 of this section,
217 appointments shall be for a term of four (4) years. Each member
218 shall hold office until his successor has been appointed and



219 qualified. Vacancies shall be filled by appointment by the
220 appropriate appointing authority, subject to the advice and
221 consent of the Senate, for the length of the unexpired term only.
222 Any member of the utility authority shall be eligible for
223 reappointment for a maximum of two (2) full terms. Each member of
224 the utility authority shall, before entering upon his duty, take
225 an oath of office to administer the duties of his office
226 faithfully and impartially, and a record of such oath shall be
227 filed in the Office of the Secretary of State. The utility
228 authority shall annually elect from its membership a chairman and
229 vice chairman who shall be eligible for reelection. The utility
230 authority shall also elect or appoint, and prescribe the duties
231 of, such other officers, who need not be members, as the utility
232 authority deems necessary or advisable and the utility authority
233 shall fix the compensation of such officers. The utility
234 authority may delegate to one or more of its members, officers,
235 employees or agents such powers and duties as it may deem proper,
236 not inconsistent with this article or other provisions of law.

237 (4) The members of the utility authority shall serve without
238 salary, but shall be entitled to receive per diem pay as provided
239 in Section 25-3-69, plus travel and necessary expenses, including
240 mileage, as provided in Section 25-3-41, incurred while in the
241 performance of his or her duties as a member of the board of
242 directors of the utility authority upon authorization by the
243 board. Expenses shall be paid from the available funds of the



244 utility authority after the utility authority assumes ownership,
245 management and control of the water, wastewater and storm systems
246 as provided in this act. Until the date the utility authority
247 assumes ownership, management and control of the water, wastewater
248 and stormwater systems as provided in this act, expenses shall be
249 paid by the State of Mississippi.

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

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

257 (7) The board may by majority vote excuse the absence of any
258 member of the board. In the event that any member of the board is
259 absent for two (2) board meetings in a twelve-month period without
260 such absences being excused by the board, his or her membership on
261 the board shall be terminated as a function of law, without any
262 action by the board, and the removed member of the board shall be
263 ineligible for reappointment to the board. The original
264 appointing authority shall retain their right to appoint a new
265 board member to replace the removed board member.

266 (8) No employee of the utility authority shall be a member
267 of the board.



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

275 **SECTION 6.** (1) The utility authority shall consult with the
276 receiver and the City of Jackson in appointing a president by
277 January 1, 2024, who shall serve at the will and pleasure of the
278 board. If the utility authority does not have ownership,
279 management, and control of the water, wastewater and storm water
280 systems by the date of the appointment of a president, the State
281 of Mississippi shall pay the salary of the president on a
282 bimonthly basis. The president shall manage the daily affairs of
283 the utility authority and shall have such powers and duties as
284 specified by this act, by the board, and any rules or regulations
285 adopted by the board. The president shall not be a member of the
286 board. The president shall serve at the will and pleasure of the
287 board.

288 (2) Until such time that the utility district assumes
289 ownership, management, and control of the water, wastewater and
290 storm water systems, the president shall cooperate and coordinate
291 with the receiver in order to provide the best opportunity for
292 minimal disruption in service and maximum ease of transition after



293 the receiver has concluded his work in overseeing and operating
294 the water system.

295 (3) The president shall employ such personnel as he or she
296 deems necessary. All personnel shall serve at the will and
297 pleasure of the president, unless otherwise specified by the
298 president.

299 (4) The board shall set the salary of the president at such
300 level as is necessary to recruit and retain a qualified
301 professional with the expertise necessary in a public utility.
302 The board may authorize whatsoever incentive compensation program
303 for the president and utility authority staff as it deems
304 necessary and proper. The utility authority shall be exempt from
305 the provisions of Section 25-3-39.

306 **SECTION 7.** (1) The utility authority shall have the power,
307 duty and responsibility to exercise general supervision over the
308 design, construction, operation and maintenance of water,
309 wastewater and storm water systems.

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

313 (3) The utility authority shall adopt rules and regulations
314 regarding the use of decentralized treatment systems, individual
315 on-site wastewater treatment systems and centralized wastewater
316 treatment systems.



317 (4) The utility authority shall adopt rules establishing
318 performance standards for water, wastewater and storm water
319 systems and the operation and maintenance of the same. Such rules
320 and regulations shall include the implementation of a standard
321 application form for the installation, operation and maintenance
322 of such systems; application review; approval or denial procedures
323 for any proposed system; inspection, monitoring and reporting
324 guidelines; and enforcement procedures.

325 (5) (a) Before a building or development which requires the
326 installation of a water, wastewater or storm water system is
327 constructed, the system must be submitted to the utility authority
328 for certification that the system complies with the utility
329 authority requirements for such system.

330 (b) Before approving or renewing a water, wastewater or
331 storm water related permit for a system within a utility
332 authority, the state agency must require certification that the
333 system complies with the requirements of the utility authority.

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

337 (7) Notwithstanding the provisions of Section 51-39-1 et
338 seq., the utility authority shall have the full power to adopt
339 rules and regulations and to construct, maintain, lease and
340 operate facilities for the control of storm water quality and
341 quantity. In addition, the provisions of Section 51-33-1 relating



342 to drainage districts and flood control districts do not apply to
343 the utility authority.

344 (8) The utility authority may control and operate the local
345 retail water, wastewater or storm water services and may provide
346 or be responsible for direct servicing of those services to
347 residences, businesses and individuals; however, the utility
348 authority shall not provide the same service in an area provided
349 by a public utility or person holding a certificate of public
350 convenience and necessity issued by the Mississippi Public Service
351 Commission for the provision of such services in the certificated
352 area.

353 (9) The utility authority shall enter into contracts for
354 major procurements after bidding. The utility authority may adopt
355 administrative rules and regulations pursuant to the provisions of
356 this act providing for special procedures whereby the utility
357 authority may make any class of procurement.

358 (10) In its bidding processes, the utility authority may do
359 its own bidding and procurement or may utilize the services of the
360 Department of Finance and Administration, the Department of
361 Information Technology Services or other state agencies as
362 appropriate and necessary.

363 (11) The utility authority shall only have oversight or
364 control of wastewater service provided to ratepayers in the City
365 of Ridgeland, which is only served by the wastewater system as of
366 the effective date of this act. To maintain consistency with the



367 agreement in place with the City of Jackson prior to the existence
368 of the utility authority, the City of Ridgeland shall have control
369 over its rate structure, with the City of Ridgeland compensating
370 the utility authority for its prorated share of wastewater
371 conveyance, treatment, capital improvements and debt service.

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

375 (a) To acquire, construct, improve, enlarge, extend,
376 repair, operate and maintain one or more of its systems used for
377 the collection, transportation, treatment and disposal of water,
378 wastewater and storm water;

379 (b) To make contracts with any person in furtherance
380 thereof; and to make contracts with any person, under the terms of
381 which the utility authority will collect, transport, treat or
382 dispose of water, wastewater and storm water for such person, and
383 to cancel any contracts existing as of the date of enactment of
384 this act;

385 (c) To make contracts with any person to design and
386 construct any water, wastewater and storm water systems or
387 facilities, and thereafter to purchase, lease or sell, by
388 installments over such terms as may be deemed desirable,
389 reasonable and necessary, or otherwise, any such system or
390 systems;



391 (d) To enter into operating agreements with any person,
392 for such terms and upon such conditions as may be deemed
393 desirable, for the operation of any water, wastewater and storm
394 water systems; and the utility authority may lease to or from any
395 person, for such term and upon such conditions as may be deemed
396 desirable, any water, wastewater and storm water collection,
397 transportation, treatment or its other facilities or systems. Any
398 such contract may contain provisions requiring any public agency
399 or other person to regulate the quality and strength of materials
400 to be handled by the respective system or systems and also may
401 provide that the utility authority shall have the right to use any
402 streets, alleys and public ways and places within the jurisdiction
403 of a public agency or other person during the term of the
404 contract;

405 (e) To enter into contracts with any person or any
406 public agency, including, but not limited to, contracts authorized
407 by this act, in furtherance of any of the purposes authorized
408 under this act upon such consideration as the board of directors
409 and such person may agree. Any such contract may extend over any
410 period of time, notwithstanding any provision or rule of law to
411 the contrary; may be upon such terms and for such consideration,
412 nominal or otherwise, as the parties thereto shall agree; and may
413 provide that it shall continue in effect until bonds specified
414 therein, refunding bonds issued in lieu of such bonds, and all
415 other obligations specified therein are paid or terminated. Any



416 such contract shall be binding upon the parties thereto according
417 to its terms;

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

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

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

428 (i) To pay any outstanding City of Jackson bonds
429 relating to the water and sewer systems under their existing
430 terms;

431 (j) To require the necessary relocation or rerouting of
432 roads and highways, railroad, telephone and telegraph lines, and
433 properties, electric power lines, gas pipelines and related
434 facilities, or to require the anchoring or other protection of any
435 of these, provided fair compensation is first paid to the owners
436 or an agreement with such owners regarding the payment of the cost
437 of such relocation, and to acquire easements or rights-of-way for
438 such relocation or rerouting and to convey the same to the owners
439 of the property being relocated or rerouted in connection with the
440 purposes of this act. This provision shall be in accordance with



441 Mississippi Constitution Article 17A, Section 11-27-30, and House
442 Bill No. 1769 as passed during the 2022 Legislative Session;

443 (k) To acquire, construct, improve or modify, to
444 operate or cause to be operated and maintained, either as owner of
445 all or of any part in common with others, any water, wastewater or
446 storm water system within the utility authority's service area.
447 The utility authority may pay all or part of the cost of any
448 system from any contribution by persons, firms, public agencies or
449 corporations. The utility authority may receive, accept and use
450 all funds, public or private, and pay all costs of the
451 development, implementation and maintenance as may be determined
452 as necessary for any project;

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

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



465 (n) To use any property and rent or lease any property
466 to or from others, including public agencies, or make contracts
467 for the use of the property. The utility authority may sell,
468 lease, exchange, transfer, assign, pledge, mortgage or grant a
469 security interest for any property. The powers to acquire, use
470 and dispose of property as set forth in this paragraph shall
471 include the power to acquire, use and dispose of any interest in
472 that property, whether divided or undivided. Title to any
473 property of the utility authority shall be held by the utility
474 authority exclusively for the benefit of the public;

475 (o) To apply, contract for, accept, receive and
476 administer gifts, grants, appropriations and donations of money,
477 materials and property of any kind, including loans and grants
478 from the United States, the state, a unit of local government, or
479 any agency, department, district or instrumentality of any of the
480 foregoing, upon any terms and conditions as the United States, the
481 state, a unit of local government, or any agency, department,
482 district or instrumentality shall impose. The utility authority
483 may administer trusts. The utility authority may sell, lease,
484 transfer, convey, appropriate and pledge any and all of its
485 property and assets;

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



489 use, maintenance and operation of any of the systems under its
490 management and control;

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

494 (r) To establish and maintain rates, fees and any other
495 charges for services and the use of systems and facilities within
496 the control of the utility authority, and from time to time, to
497 adjust such rates, fees and any other charges to the end that the
498 revenues therefrom will be sufficient at all times to pay the
499 expenses of operating and maintaining of the facilities and
500 treatment systems and all of the persons' obligations under any
501 contract or bonds resolution with respect thereto or any
502 obligation of any person under any agreement, contract, indenture
503 or bonds resolution with respect thereto. Such rates, fees,
504 assessments and any other charges shall be subject to the
505 jurisdiction of the Mississippi Public Service Commission. Such
506 rates, fees, assessments or any other charges shall be equal as
507 levied on citizens throughout the utility authority's boundaries.
508 For purposes of Section 77-3-33, the rates charged by the utility
509 authority shall be just and reasonable if they are adequate to
510 provide safe and reliable water, wastewater and storm water
511 service to its customers, including providing an adequate amount
512 of capital for the utility authority to perform such repairs,
513 upgrades and improvements as it deems necessary on an ongoing



514 basis. The Mississippi Public Service Commission shall defer to
515 the utility authority's determination of what rates are just and
516 reasonable absent a showing of manifest error;

517 (s) To adopt rules and regulations necessary to
518 accomplish the purposes of the utility authority and to assure the
519 payment of each participating person or public agency of its
520 proportionate share of the costs for use of any of the systems and
521 facilities of the utility authority and for the utility
522 authority's proportionate share of the costs of the board;

523 (t) To enter on public or private lands, waters or
524 premises for the purpose of making surveys, borings or soundings,
525 or conducting tests, examinations or inspections for the purposes
526 of the authority, subject to responsibility for any damage done to
527 property entered;

528 (u) To accept industrial wastewater from within the
529 boundaries of the utility authority for treatment and to require
530 the pretreatment of same when, in the opinion of the utility
531 authority, such pretreatment is necessary;

532 (v) To control and operate local retail water,
533 wastewater and storm water services, and may provide or be
534 responsible for direct servicing of those services to residences,
535 businesses and individuals; however, the utility authority shall
536 not provide the same services in an area provided by a public
537 utility or person holding a certificate of public convenience and



538 necessity issued by the Mississippi Public Service Commission for
539 the provision of such services in the certificated area;

540 (w) To assume control and administer, within the
541 utility authority's jurisdiction, any water, wastewater or storm
542 water system or systems by agreement or contract with any person
543 if the person providing such services requests to be relieved of
544 that responsibility. However, the person may maintain control
545 over connections in their service areas and may charge rates, fees
546 and any other charges in addition to the rates, fees and any
547 charges of the utility authority;

548 (x) To acquire property designated by plan to
549 sufficiently accommodate the location of water, wastewater or
550 storm water systems and such requirements related directly thereto
551 pursuant to the provisions of Title 11, Chapter 27, Mississippi
552 Code of 1972. The utility authority may acquire property
553 necessary for any system and the exercise of the powers, rights
554 and duties conferred upon the utility authority by this act. No
555 person owning the drilling rights or the right to share in
556 production shall be prevented from exploring, developing or
557 producing oil or gas with necessary rights-of-way for ingress and
558 egress, pipelines and other means of transporting such interests
559 on any lands or interest of the utility authority held or used for
560 the purposes of this act, but any such activities shall be subject
561 to reasonable regulations by the board of directors that will
562 adequately protect the systems or projects of the utility



563 authority. This provision shall be in accordance with Mississippi
564 Constitution Article 17A and House Bill No. 1769 as passed during
565 the 2022 Legislative Session;

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

569 (z) To refuse to receive water, wastewater or storm
570 water from any public agency or person, except with regard to
571 municipalities or other areas within the service territory of the
572 systems as of the effective date of this act;

573 (aa) So long as any indebtedness on the systems of the
574 utility authority remains outstanding, to require a member public
575 agency, or other person, that all water, wastewater and storm
576 water within the boundaries of the respective utility authority be
577 disposed of through the appropriate treatment system to the extent
578 that the same may be available, but no public agency shall be
579 precluded from constructing, operating and maintaining its own
580 such system after the current indebtedness owing on the system as
581 of the date of enactment of this act, is paid in full; and

582 (bb) To adopt a seal and a symbol, and hold patents,
583 copyrights, trademarks, and service marks and enforce its rights
584 with respect thereto.

585 (3) The utility authority shall:

586 (a) Submit annual reports to the Governor, Lieutenant
587 Governor, Speaker of the House of Representatives, State Auditor,



588 Joint Legislative Committee on Performance Evaluation and
589 Expenditure Review and the governing authorities of any
590 municipality whose citizens are within the utility authority's
591 boundaries regarding the water quality and financial conditions of
592 such system or systems, as well as a schedule of currently planned
593 repairs, upgrades or improvements planned by the utility
594 authority;

595 (b) Immediately submit to the Governor, Lieutenant
596 Governor, Speaker of the House of Representatives and the
597 governing authorities of any municipality whose citizens are
598 within the utility authority's boundaries any information received
599 from the Mississippi State Department of Health or Department of
600 Environmental Quality or other state or federal regulatory
601 agencies regarding the condition of a transferred eligible
602 municipal system. The utility authority, in addition to abiding
603 by any other federal or state reporting requirements, must also
604 report such information to the public on its website and to
605 individuals residing within the municipality as required by
606 federal or state law;

607 (c) Publish audited annual financial statements, which
608 shall be made available to the public. The annual financial
609 statements shall include disposition of all funds expended by the
610 Utility authority for any purpose. Quarterly financial statements
611 shall be made available to the public by posting on the utility
612 authority's website;



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

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

618 (f) Adopt by administrative rules and regulations
619 guidelines for the disposal of property if the utility authority
620 is dissolved. Such administrative rules and regulations shall
621 include that ownership, management and control of the systems
622 shall revert to the City of Jackson.

623 **SECTION 9.** (1) The president, as executive director of the
624 utility authority, if so appointed by the utility authority, shall
625 direct and supervise all administrative and technical activities
626 in accordance with the provisions of this act, within the
627 administrative rules and regulations adopted by the board, and in
628 accordance with industry practice. The president shall:

629 (a) Supervise and administer or contract for the
630 supervision and administration of the water, wastewater and storm
631 water systems owned, managed or controlled by the utility
632 authority.

633 (b) Employ and direct such personnel as may be
634 necessary to carry out the purposes of this act and utilize such
635 services, personnel or facilities of the utility authority as he
636 or she may deem necessary.



637 (c) Make available for inspection by the board or any
638 member of the board or the Governor, Lieutenant Governor, Speaker
639 of the House or the governing authorities of any municipality
640 whose citizens are served by the utility authority, upon request,
641 all books, records, files and other information and documents of
642 his or her office and advise the board and recommend such
643 administrative rules and regulations and other matters he or she
644 deems necessary and advisable to improve the operation and
645 administration of the utility authority.

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

648 (e) Not later than thirty (30) days before the
649 beginning of the utility authority's fiscal year, submit the
650 proposed annual budget of the utility authority to the board for
651 review and approval. This shall include a schedule of planned
652 repairs, upgrades or improvements to the systems and the
653 anticipated capital cost of each. In addition, the proposed
654 annual budget of the utility authority shall include a personnel
655 table reporting information for each full-time and part-time
656 permanent position, as follows:

657 (i) The position title and the salary for each
658 position in the existing operating budget for the current fiscal
659 year, indicating whether each position is filled or vacant as of
660 the reporting date; and



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

663 (f) The president shall require bond of Fifty Thousand
664 Dollars (\$50,000.00) from employees with access to funds or in
665 such an amount as provided in the administrative rules and
666 regulations of the board.

667 (2) The president may:

668 (a) Require bond from other employees as he or she
669 deems necessary;

670 (b) For good cause, and with approval from the majority
671 of the board, suspend, revoke or refuse to renew any contract
672 entered into in accordance with this act or the administrative
673 rules and regulations of the board; and

674 (c) Upon specific or general approval of the board,
675 enter into personal service contracts pursuant to administrative
676 rules and regulations adopted by the board and compensate such
677 consultants and technical assistants as may be required to carry
678 out the provisions of this act.

679 (3) Agencies, departments or units of state government,
680 including, but not limited to, the Mississippi Department of
681 Health and the Mississippi Department of Environmental Quality,
682 shall cooperate with the utility authority to regulate the utility
683 authority and assure the effective operation of the utility
684 authority's systems, with the understanding that such agencies act
685 as a regulator and not operator of such systems. All state



686 officers are hereby empowered and required to render such services
687 to the utility authority within their respective functions as may
688 be requested by the utility authority.

689 **SECTION 10.** Employees of the utility authority shall serve
690 at the will and pleasure of the president who shall determine
691 their compensation and benefits. The compensation of officers at
692 the division head level and above shall be determined by the
693 board.

694 **SECTION 11.** Neither the directors of the utility authority,
695 the board, its employees, nor any person or persons acting on
696 their behalf, while acting within the scope of their authority,
697 shall be subject to personal liability resulting from carrying out
698 any of the powers granted herein in accordance with his or her
699 good-faith belief that he or she is acting in the best interests
700 of the utility authority.

701 **SECTION 12.** (1) The utility authority shall enter into its
702 contracts for major procurements after a competitive and open
703 procurement process. The utility authority may adopt
704 administrative rules and regulations pursuant to the provisions of
705 this act providing for special procedures whereby the utility
706 authority may make any class of procurement. The utility
707 authority shall endeavor to ensure the transparency and
708 competitiveness of procurements of all sizes.

709 (2) In its bidding processes, the utility authority may do
710 its own bidding and procurement or may utilize the services of



711 other state agencies as appropriate and necessary. The president
712 may, with the approval of a majority of the board, declare an
713 emergency for purchasing purposes which shall be governed by the
714 administrative rules and regulations adopted by the board.

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

720 **SECTION 14.** All division heads, officers and employees of
721 the utility authority shall be considered public servants as
722 defined in Section 25-4-103. All division heads and officers of
723 the utility authority are subject to Section 25-4-25 and shall be
724 required to file a Statement of Economic Interest with the
725 Mississippi Ethics Commission.

726 **SECTION 15.** (1) Any public agency or person, pursuant to a
727 duly adopted resolution of the governing body of such public
728 agency or person, may enter into contracts with the utility
729 authority under the terms of which the utility authority will
730 manage, operate and contract for usage of its systems and
731 facilities, or other services, for such person or public agency.

732 (2) Any public agency or person may enter into contracts
733 with the utility authority for the utility authority to purchase
734 or sell, by installments over such terms as may be deemed
735 desirable, or otherwise, to any person or any systems. Any public



736 agency may sell, donate, convey, or otherwise dispose of water,
737 wastewater and storm water facilities or systems; or any
738 equipment, personal property or any other things, deemed necessary
739 for the construction, operation, and maintenance to the utility
740 authority without the necessity of appraisal, advertising, or
741 bidding. This section creates an alternative method of disposal
742 of public property.

743 (3) Any public agency is authorized to enter into operating
744 agreements with the utility authority, for such terms and upon
745 such conditions as may be deemed desirable, for the operation of
746 any of its systems of any person by the utility authority or by
747 any person contracting with the utility authority to operate such
748 systems.

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

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

754 (6) Any such contract may contain provisions requiring any
755 public agency or other person to regulate the quality and strength
756 of the material to be handled by the wastewater or storm water
757 systems and may also provide that the utility authority shall have
758 the right to use any streets, alleys and public ways and places
759 within the jurisdiction of a public agency or other person during
760 the term of the contract. Such contracts may obligate the public



761 agency to make payments to the utility authority or to a trustee
762 in amounts which shall be sufficient to enable the utility
763 authority to defray the expenses of administering, operating and
764 maintaining its respective systems, to pay interest and principal
765 (whether at maturity upon redemption or otherwise) on bonds of the
766 utility authority, issued under this act and to fund reserves for
767 debt service, for operation and maintenance and for renewals and
768 replacements, to fulfill the requirements of any rate covenant
769 with respect to debt service coverage contained in any resolution,
770 trust indenture or other security agreement relating to the bonds
771 of the utility authority issued under this act or to fulfill any
772 other requirement relating to bonds issued pursuant to this act.

773 (7) Any public agency shall have the power to enter into
774 such contracts with the utility authority as in the discretion of
775 the governing body of the public agency would be in the best
776 interest of the public agency. Such contracts may include a
777 pledge of the full faith and credit of such public agency and/or
778 the avails of any special assessments made by such public agency
779 against property receiving benefits, as now or hereafter are
780 provided by law. Any such contract may provide for the sale, or
781 lease to, or use of by the utility authority, of the systems or
782 any part thereof, of the public agency; and may provide that the
783 utility authority shall operate its systems or any part thereof of
784 the public agency; and may provide that any public agency shall
785 have the right to continued use and/or priority use of the systems



786 or any part thereof during the useful life thereof upon payment of
787 reasonable charges therefor; and may contain provisions to assure
788 equitable treatment of persons or public agencies who contract
789 with the utility authority under this act; and may contain such
790 other provisions and requirements as the parties thereto may
791 determine to be appropriate or necessary. Such contracts may
792 extend over any period of time, notwithstanding any provisions of
793 law to the contrary, and may extend beyond the life of the
794 respective systems or any part thereof or the term of the bonds
795 sold with respect to such facilities or improvements thereto.

796 (8) The obligations of a public agency arising under the
797 terms of any contract referred to in this act, whether or not
798 payable solely from a pledge of revenues, shall not be included
799 within the indebtedness limitations of the public agency for
800 purposes of any constitutional or statutory limitation or
801 provision. To the extent provided in such contract and to the
802 extent such obligations of the public agency are payable wholly or
803 in part from the revenues and other monies derived by the public
804 agency from the operation of its systems or of its combined
805 systems, or any part thereof, such obligations shall be treated as
806 expenses of operating such systems.

807 (9) Contracts referred to in this section may also provide
808 for payments in the form of contributions to defray the cost of
809 any purpose set forth in the contracts and as advances for the
810 respective systems or any part thereof subject to repayment by the



811 utility authority. A public agency may make such contributions or
812 advances from its general fund or surplus fund or from special
813 assessments or from any monies legally available therefor.

814 (10) Subject to the terms of a contract or contracts
815 referred to in this act, the utility authority is hereby
816 authorized to do and perform any and all acts or things necessary,
817 convenient or desirable to carry out the purposes of such
818 contracts, including the fixing, charging, collecting, maintaining
819 and revising of rates, fees and other charges for the services
820 rendered to any user of any of the systems operated or maintained
821 by the utility authority, whether or not such systems are owned by
822 the utility authority.

823 (11) No provision of this act shall be construed to prohibit
824 any public agency, otherwise permitted by law to issue bonds, from
825 issuing bonds in the manner provided by law for the construction,
826 renovation, repair or development of any of the utility
827 authority's systems, or any part thereof, owned or operated by
828 such public agency.

829 **SECTION 16.** Whenever a public agency shall have executed a
830 contract under this act and the payments thereunder are to be made
831 either wholly or partly from the revenues of the public agency's
832 systems, or any part thereof, or a combination of such systems,
833 the duty is hereby imposed on the public agency to establish and
834 maintain and from time to time to adjust the rate or fees charged
835 by the public agency for the services of such systems, so that the



836 revenues therefrom, together with any taxes and special
837 assessments levied in support thereof, will be sufficient at all
838 times to pay:

839 (a) The expense of operating and maintaining such
840 systems, including, but not limited to, all of the public agency's
841 obligations to the utility authority and the cost required to
842 staff such systems, its successors or assigns under such contract;
843 and

844 (b) All of the public agency's obligations under and in
845 connection with bonds theretofore issued, or which may be issued
846 thereafter and secured by the revenues of such systems. Any such
847 contract may require the use of consulting engineers and financial
848 experts to advise the public agency whether and when such rates
849 and fees are to be adjusted.

850 **SECTION 17.** (1) Notwithstanding the provisions of Sections
851 77-3-21 and 77-3-23, the certificate of public convenience and
852 necessity held by any municipality, public agency, district,
853 public utility or other person authorized by law to provide water,
854 sewer and wastewater services may be cancelled and its powers,
855 duties and responsibilities transferred to the utility authority
856 in the manner provided by this section.

857 (2) Any entity described in subsection (1) of this section
858 desiring to have its certificate of public convenience and
859 necessity cancelled and its powers, duties and responsibilities
860 transferred to the utility authority shall make a determination to



861 that effect on its official minutes if a public entity, or by
862 affidavit if not a public entity, and transmit such determination
863 to the utility authority.

864 (3) Upon receipt of the document evidencing such
865 determination from an entity to transfer its powers, duties and
866 responsibilities to the utility authority, the utility authority
867 shall, by resolution, declare whether it is willing and able to
868 accept such transfer from the entity.

869 (4) Upon completion of the requirements of subsections (2)
870 and (3) of this section herein and agreement by both parties to
871 the transfer, the holder of the certificate of public convenience
872 and necessity and the utility authority shall jointly petition the
873 Public Service Commission to cancel the certificate of public
874 convenience and necessity. The petition must be accompanied by
875 copies of the official minutes, affidavit or resolution, as the
876 case may be, reflecting the actions of the petitioners. After
877 review of the petition and any other evidence as the Public
878 Service Commission deems necessary, the commission may issue an
879 order canceling the certificate and transferring to the utility
880 authority the powers, duties and responsibilities granted by the
881 certificate, including all assets and debts of the transferor
882 petitioner related to such certificated services, real or
883 personal, or both, if it finds that:

884 (a) Subsections (2) and (3) of this section have been
885 complied with; and



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

887 (5) The utility authority and providers of water, sewer,
888 wastewater and storm water services that are not holders of a
889 certificate of a public convenience and necessity from the Public
890 Service Commission may enter into agreements for the provision of
891 such services, including, but not limited to, the transfer to the
892 utility authority of such provider's powers, duties,
893 responsibilities, assets and debts.

894 (6) Nothing herein shall require a municipality currently
895 served by the utility authority to remain within the boundaries of
896 the utility authority.

897 **SECTION 18.** (1) Any system of a municipality, public agency
898 or person that becomes subject to the jurisdiction of a utility
899 authority and this act shall not impair, invalidate or abrogate
900 any liens, bonds or other certificates of indebtedness related to
901 water, storm water or wastewater facilities and systems incurred
902 prior to becoming subject to the jurisdiction of the utility
903 authority.

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

908 **SECTION 19.** (1) Sections 18 through 27 of this act apply to
909 all bonds to be issued after the date of enactment of this act,
910 and such provisions shall not affect, limit or alter the rights



911 and powers of any utility authority under this act or any law of
912 Mississippi to conduct the activities referred to herein in any
913 way pertinent to the interests of the bondholders, including,
914 without limitation, such utility authority's right to charge and
915 collect rates, fees and charges and to fulfill the terms of any
916 covenants made with the registered owners of any existing bonds,
917 or in any other way impair the rights and remedies of the
918 registered owners of any existing bonds, unless provision for full
919 payment of such bonds, by escrow or otherwise, has been made
920 pursuant to the terms of the bonds or the resolution, trust
921 indenture or security interest securing the bonds.

922 (2) The utility authority shall have the power and is hereby
923 authorized, from time to time, to borrow money and to issue
924 revenue bonds and interim notes in such principal amounts as the
925 utility authority may determine to be necessary to provide
926 sufficient funds for achieving one or more of the purposes of this
927 act, including, without limiting the generality of the foregoing,
928 to defray all the costs of the project, the cost of the
929 acquisition, construction, improvement, repair or extension of a
930 system, or any part thereof, whether or not such facilities are
931 owned by the utility authority, the payment of interest on bonds
932 of the utility authority issued pursuant to this act,
933 establishment of reserves to secure such bonds and payment of the
934 interest thereon, expenses incident to the issuance of such bonds
935 and to the implementation of the utility authority's system, and



936 all other expenditures of the utility authority incident to or
937 necessary or convenient to carry out the purposes of this act.

938 (3) Before issuing bonds, other than interim notes or
939 refunding bonds as provided in Section 20 of this act, the board
940 of directors of the utility authority shall adopt a resolution
941 declaring its intention to issue such bonds and stating the
942 maximum principal amount of bonds proposed to be issued, a general
943 generic description of the proposed improvements and the proposed
944 location thereof and the date, time and place at which the board
945 of directors proposes to take further action with respect to the
946 issuance of such bonds. The resolution shall be published once a
947 week for at least three (3) consecutive weeks in at least one (1)
948 newspaper having a general circulation within the geographical
949 limits of all of the public agencies which have contracted with
950 the utility authority pursuant to this act.

951 (4) Bonds of the utility authority issued pursuant to this
952 act shall be payable from and secured by a pledge of all or any
953 part of the revenues under one or more contracts entered into
954 pursuant to this act between the utility authority and one or more
955 of its contracting public agencies and from all or any part of the
956 revenues derived from the operation of any designated system or
957 any part or parts thereof and any other monies legally available
958 and designated therefor, as may be determined by such utility
959 authority, subject only to any agreement with the purchasers of
960 the bonds. Such bonds may be further secured by a trust indenture



961 between such utility authority and a corporate trustee, which may
962 be any trust company or bank having powers of a trust company
963 without or within the state.

964 (5) Bonds of the utility authority issued pursuant to this
965 act shall be authorized by a resolution or resolutions adopted by
966 a majority affirmative vote of the total membership of the board
967 of directors of the utility authority. Such bonds may be issued
968 in series, and each series of such bonds shall bear such date or
969 dates, mature at such time or times, bear interest at such rate or
970 rates (not exceeding the maximum rate set out in Section
971 75-17-103, Mississippi Code of 1972), be in such denomination or
972 denominations, be in such form, carry such conversion privileges,
973 have such rank or priority, be executed in such manner and by such
974 officers, be payable from such sources in such medium of payment
975 at such place or places within or without the state, provided that
976 one such place shall be within the state, and be subject to such
977 terms of redemption prior to maturity, all as may be provided by
978 resolution or resolutions of the board of directors. The term of
979 such bonds issued pursuant to this act shall not exceed forty (40)
980 years.

981 (6) Bonds of the utility authority issued pursuant to this
982 act may be sold at such price or prices, at public or private
983 sale, in such manner and at such times as may be determined by
984 such utility authority to be in the public interest, and such
985 utility authority may pay all expenses, premiums, fees and



986 commissions which it may deem necessary and advantageous in
987 connection with the issuance and sale thereof.

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

999 (8) Neither the members of the board of directors nor any
1000 person executing the bonds shall be personally liable on the bonds
1001 or be subject to any personal liability or accountability by
1002 reason of the issuance thereof.

1003 (9) Proceeds from the sale of bonds of the utility authority
1004 may be invested, pending their use, in such securities as may be
1005 specified in the resolution authorizing the issuance of the bonds
1006 or the trust indenture securing them, and the earnings on such
1007 investments applied as provided in such resolution or trust
1008 indenture.

1009 (10) Whenever any bonds shall have been signed by the
1010 officer(s) designated by the resolution of the board of directors



1011 to sign the bonds who were in office at the time of such signing
1012 but who may have ceased to be such officer(s) prior to the sale
1013 and delivery of such bonds, or who may not have been in office on
1014 the date such bonds may bear, the manual or facsimile signatures
1015 of such officer(s) upon such bonds shall nevertheless be valid and
1016 sufficient for all purposes and have the same effect as if the
1017 person so officially executing such bonds had remained in office
1018 until the delivery of the same to the purchaser or had been in
1019 office on the date such bonds may bear.

1020 (11) The utility authority has the discretion to advance or
1021 borrow funds needed to satisfy any short-term cash flow demands or
1022 deficiencies or to cover start-up costs until such time as
1023 sufficient bonds, assets and revenues have been secured to satisfy
1024 the needs of the utility authority.

1025 **SECTION 20.** (1) The utility authority may, by resolution
1026 adopted by its board of directors, issue refunding bonds for the
1027 purpose of paying any of its bonds at or prior to maturity or upon
1028 acceleration or redemption. Refunding bonds may be issued at such
1029 time prior to the maturity or redemption of the refunded bonds as
1030 the board of directors deems to be in the public interest, without
1031 an election on the question of the issuance thereof. The
1032 refunding bonds may be issued in sufficient amounts to pay or
1033 provide the principal of the bonds being refunded, together with
1034 any redemption premium thereon, any interest accrued or to accrue
1035 to the date of payment of such bonds, the expenses of issue of the



1036 refunding bonds, the expenses of redeeming the bonds being
1037 refunded, and such reserves for debt service or other capital or
1038 current expenses from the proceeds of such refunding bonds as may
1039 be required by the resolution, trust indenture or other security
1040 instruments. The issue of refunding bonds, the maturities and
1041 other details thereof, the security therefor, the rights of the
1042 holders and the rights, duties and obligations of the utility
1043 authority in respect of the same shall be governed by the
1044 provisions of this act relating to the issue of bonds other than
1045 refunding bonds insofar as the same may be applicable. Any such
1046 refunding may be effected, whether the obligations to be refunded
1047 shall have then matured or shall thereafter mature, either by the
1048 exchange of the refunding bonds for the obligations to be refunded
1049 thereby with the consent of the holders of the obligations so to
1050 be refunded, or by sale of the refunding bonds and the application
1051 of the proceeds thereof to the payment of the obligations proposed
1052 to be refunded thereby, and regardless of whether the obligations
1053 proposed to be refunded shall be payable on the same date or
1054 different dates or shall be due serially or otherwise.

1055 (2) Borrowing by the utility authority may be made by the
1056 delivery of interim notes to any person or public agency or
1057 financial institution by a majority vote of the board of
1058 directors.

1059 **SECTION 21.** All bonds, other than refunding bonds, interim
1060 notes and certificates of indebtedness, which may be validated



1061 issued pursuant to this act shall be validated as now provided by
1062 law in Sections 31-13-1 through 31-13-11, Mississippi Code of
1063 1972; however, notice of such validation proceedings shall be
1064 addressed to the citizens of the respective public agencies (a)
1065 which have contracted with the utility authority pursuant to this
1066 act, and (b) whose contracts and the payments to be made by the
1067 public agencies thereunder constitute security for the bonds of
1068 such utility authority proposed to be issued, and that such notice
1069 shall be published at least once in a newspaper or newspapers
1070 having a general circulation within the geographical boundaries of
1071 each of the contracting public agencies to whose citizens the
1072 notice is addressed. Such validation proceedings shall be
1073 instituted in any chancery courts within the boundaries of the
1074 utility authority. The validity of the bonds so validated and of
1075 the contracts and payments to be made by the public agencies
1076 thereunder constituting security for the bonds shall be forever
1077 conclusive against the utility authority and the public agencies,
1078 which are parties to said contracts; and the validity of said
1079 bonds and said contracts and the payments to be made thereunder
1080 shall never be called in question in any court in this state.

1081 **SECTION 22.** Bonds issued under the provisions of this act
1082 shall not be deemed to constitute, within the meaning of any
1083 constitutional or statutory limitation, an indebtedness of the
1084 utility authority or the state. Such bonds shall be payable
1085 solely from the revenues or assets of the utility authority



1086 pledged therefor. Each bond issued under this act shall contain
1087 on the face thereof a statement to the effect that such utility
1088 authority, nor the state, shall not be obligated to pay the same
1089 nor the interest thereon except from the revenues or assets
1090 pledged therefor.

1091 **SECTION 23.** The utility authority shall have power in
1092 connection with the issuance of its bonds pursuant to this act to:

1093 (a) Covenant as to the use of any or all of its
1094 property, real or personal;

1095 (b) Redeem the bonds, to covenant for their redemption
1096 and to provide the terms and conditions thereof;

1097 (c) Covenant to charge rates, fees and charges
1098 sufficient to meet operating and maintenance expenses, renewals
1099 and replacements, principal and debt service on bonds, creation
1100 and maintenance of any reserves required by a bonds resolution,
1101 trust indenture or other security instrument and to provide for
1102 any margins or coverages over and above debt service on the bonds
1103 deemed desirable for the marketability of the bonds;

1104 (d) Covenant and prescribe as to events of default and
1105 terms and conditions upon which any or all of its bonds shall
1106 become or may be declared due before maturity, as to the terms and
1107 conditions upon which such declaration and its consequences may be
1108 waived and as to the consequences of default and the remedies of
1109 the registered owners of the bonds;



1110 (e) Covenant as to the mortgage or pledge of or the
1111 grant of a security interest in any real or personal property and
1112 all or any part of the revenues from any designated system or any
1113 part thereof or any revenue-producing contract or contracts made
1114 by a utility authority with any person to secure the payment of
1115 bonds, subject to such agreements with the registered owners of
1116 bonds as may then exist;

1117 (f) Covenant as to the custody, collection, securing,
1118 investment and payment of any revenues, assets, monies, funds or
1119 property with respect to which a utility authority may have any
1120 rights or interest;

1121 (g) Covenant as to the purposes to which the proceeds
1122 from the sale of any bonds then or thereafter to be issued may be
1123 applied, and the pledge of such proceeds to secure the payment of
1124 the bonds;

1125 (h) Covenant as to the limitations on the issuance of
1126 any additional bonds, the terms upon which additional bonds may be
1127 issued and secured, and the refunding of outstanding bonds;

1128 (i) Covenant as to the rank or priority of any bonds
1129 with respect to any lien or security;

1130 (j) Covenant as to the procedure by which the terms of
1131 any contract with or for the benefit of the registered owners of
1132 bonds may be amended or abrogated, the amount of bonds the
1133 registered owners of which must consent thereto, and the manner in
1134 which such consent may be given;



1135 (k) Covenant as to the custody of any of its properties
1136 or investments, the safekeeping thereof, the insurance to be
1137 carried thereon, and the use and disposition of insurance
1138 proceeds;

1139 (l) Covenant as to the vesting in a trustee or
1140 trustees, within or outside the state, of such properties, rights,
1141 powers and duties in trust as such utility authority may
1142 determine;

1143 (m) Covenant as to the appointing and providing for the
1144 duties and obligations of a paying agent or paying agents or other
1145 fiduciaries within or outside the state;

1146 (n) Make all other covenants and to do any and all such
1147 acts and things as may be necessary or convenient or desirable in
1148 order to secure its bonds, or in the absolute discretion of the
1149 utility authority tend to make the bonds more marketable,
1150 notwithstanding that such covenants, acts or things may not be
1151 enumerated herein; it being the intention hereof to give any
1152 utility authority power to do all things in the issuance of bonds
1153 and in the provisions for security thereof which are not
1154 inconsistent with the Constitution of the state; and

1155 (o) Execute all instruments necessary or convenient in
1156 the exercise of the powers herein granted or in the performance of
1157 covenants or duties, which may contain such covenants and
1158 provisions, as any purchaser of the bonds of the utility authority
1159 may reasonably require.



1160 SECTION 24. The utility authority may, in any authorizing
1161 resolution of the board of directors, trust indenture or other
1162 security instrument relating to its bonds issued pursuant to this
1163 act, provide for the appointment of a trustee who shall have such
1164 powers as are provided therein to represent the registered owners
1165 of any issue of bonds in the enforcement or protection of their
1166 rights under any such resolution, trust indenture or security
1167 instrument. The utility authority may also provide in such
1168 resolution, trust indenture or other security instrument that the
1169 trustee, or in the event that the trustee so appointed shall fail
1170 or decline to so protect and enforce such registered owners'
1171 rights then such percentage of registered owners as shall be set
1172 forth in, and subject to the provisions of, such resolution, trust
1173 indenture or other security interest, may petition the court of
1174 proper jurisdiction for the appointment of a receiver of the
1175 utility authority's systems, the revenues of which are pledged to
1176 the payment of the principal of and interest on the bonds of such
1177 registered owners. Such receiver may exercise any power as may be
1178 granted in any such resolution, trust indenture or security
1179 instrument to enter upon and take possession of, acquire,
1180 construct, reconstruct or operate and maintain such system, fix
1181 charges for services of the system and enforce collection thereof,
1182 and receive all revenues derived from such system or facilities
1183 and perform the public duties and carry out the contracts and
1184 obligations of such utility authority in the same manner as such



1185 utility authority itself might do, all under the direction of such
1186 court.

1187 **SECTION 25.** (1) The exercise of the powers granted by this
1188 act will be in all respects for the benefit of the people of the
1189 state, for their well-being and prosperity and for the improvement
1190 of their social and economic conditions, and the utility authority
1191 shall not be required to pay any tax or assessment on any property
1192 owned by the utility authority under the provisions of this act or
1193 upon the income therefrom; nor shall the utility authority be
1194 required to pay any recording fee or transfer tax of any kind on
1195 account of instruments recorded by it or on its behalf.

1196 (2) Any bonds issued by the utility authority under and
1197 pursuant to the provisions of this act, their transfer and the
1198 income therefrom shall at all times be free from taxation by the
1199 state or any local unit or political subdivision or other
1200 instrumentality of the state, excepting inheritance and gift
1201 taxes.

1202 **SECTION 26.** All bonds issued under the provisions of this
1203 act shall be legal investments for trustees, other fiduciaries,
1204 savings banks, trust companies and insurance companies organized
1205 under the laws of the State of Mississippi; and such bonds shall
1206 be legal securities which may be deposited with and shall be
1207 received by all public officers and bodies of the state and all
1208 municipalities and other political subdivisions thereof for the
1209 purpose of securing the deposit of public funds.



1210 **SECTION 27.** The state hereby covenants with the registered
1211 owners of any bonds of any utility authority that so long as the
1212 bonds are outstanding and unpaid, the state will not limit or
1213 alter the rights and powers of any utility authority under this
1214 act to conduct the activities referred to herein in any way
1215 pertinent to the interests of the bondholders, including, without
1216 limitation, such utility authority's right to charge and collect
1217 rates, fees, assessments and charges and to fulfill the terms of
1218 any covenants made with the registered owners of the bonds, or in
1219 any other way impair the rights and remedies of the registered
1220 owners of the bonds, unless provision for full payment of such
1221 bonds, by escrow or otherwise, has been made pursuant to the terms
1222 of the bonds or the resolution, trust indenture or security
1223 interest securing the bonds.

1224 **SECTION 28.** For the purposes of satisfying any temporary
1225 cash flow demands and deficiencies, and to maintain a working
1226 balance for the utility authority, the county, municipalities or
1227 public agencies within the geographic boundaries of the utility
1228 authority, or other persons, subject to their lawful authority to
1229 do so, are authorized to advance, at any time, such funds which,
1230 in its discretion, are necessary, or borrow such funds by issuance
1231 of notes, for initial capital contribution and to cover start-up
1232 costs until such times as sufficient bonds, assets and revenues
1233 have been secured to satisfy the needs of the utility authority
1234 for its management, operation and formation. To this end, the



1235 county, municipality, public agency or person, subject to their
1236 lawful authority to do so, shall advance such funds, or borrow
1237 such funds by issuance of notes, under such terms and conditions
1238 as may be provided by resolution of the governing body, or other
1239 persons as defined in this act, subject to their lawful authority
1240 to do so, except that each such resolution shall state:

1241 (a) The need for the proceeds advanced or borrowed;

1242 (b) The amount to be advanced or the amount to be
1243 borrowed;

1244 (c) The maximum principal amount of any note issued the
1245 interest rate or maximum interest rate to be incurred, and the
1246 maturity date of said note;

1247 (d) In addition, the governing body, or other persons
1248 as defined in this act, subject to their lawful authority to do
1249 so, may arrange for lines of credit with any bank, firm or person
1250 for the purpose of providing an additional source of repayment for
1251 notes issued pursuant to this section. Amounts drawn on a line of
1252 credit may be evidenced by negotiable or nonnegotiable notes or
1253 other evidences of indebtedness and contain such terms and
1254 conditions as the governing body, or other persons as defined in
1255 this act, subject to their lawful authority to do so, may
1256 authorize in the resolution approving the same;

1257 (e) The governing body of the county, municipalities or
1258 other persons as defined in this act, subject to their lawful
1259 authority to do so, may authorize the repayment of such advances,



1260 notes, lines of credit and other debt incurred under this section,
1261 along with all costs associated with the same, including, but not
1262 limited to, rating agency fees, printing costs, legal fees, bank
1263 or trust company fees, line of credit fees and other charges to be
1264 reimbursed by the utility authority under such terms and
1265 conditions as are reasonable and are to be provided for by
1266 resolution of the governing body, or terms agreed upon with other
1267 persons as defined in this act, subject to their lawful authority
1268 to do so; and

1269 (f) In addition, the governing body of the county,
1270 municipality or public agency may lease or donate office space and
1271 equipment to the utility authority under such terms and conditions
1272 as are reasonable and are to be provided for by resolution of the
1273 governing body, or terms agreed upon by the utility authority.

1274 **SECTION 29.** This act being necessary for the welfare of the
1275 state and its inhabitants shall be liberally construed to effect
1276 the purposes thereof. If any section, provision, paragraph,
1277 sentence, phrase or word of this act shall be held invalid by any
1278 court of competent jurisdiction, the remainder of this act shall
1279 not be affected thereby.

1280 **SECTION 30.** Sections 1 through 29 of this act shall be
1281 codified in Title 77, Mississippi Code of 1972.

1282 **SECTION 31.** This act shall take effect and be in force from
1283 and after July 1, 2023, and shall stand repealed on June 30, 2023.

