

By: Senator(s) Parker

To: Accountability,  
Efficiency, Transparency

SENATE BILL NO. 2628

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

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

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

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

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



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

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

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



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

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

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

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

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

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



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

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

78 (c) Authorize the Department of Environmental Quality  
79 to loan to the authority funds requested to purchase wastewater  
80 assets as authorized in this subsection (2) at an interest rate of  
81 zero percent (0%) with a forty-year term applying the maximum  
82 principal forgiveness available; and

83 (d) Partner with the Department of Health, the  
84 Department of Environmental Quality, the City of Jackson and other  
85 municipalities or governmental entities within the boundaries of  
86 the authority, and any other federal state or local entity in  
87 taking any action necessary under this chapter to ensure all  
88 citizens have access to safe, clean and reliable water and  
89 wastewater systems, with the understanding that federal and state  
90 agencies are solely responsible for regulating, but not operating,  
91 the utility authority.



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

95           (a) "Board" means the Board of Directors of the  
96 Mississippi Capitol Region Utility Authority.

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

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

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

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

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

111           (g) "Public agency" means any county, municipality,  
112 state board or utility authority owning or operating properties,  
113 districts created pursuant to the general laws or local and  
114 private laws of the State of Mississippi, or any other political  
115 subdivision of the State of Mississippi possessing the power to  
116 own and operate waterworks, water supply systems, sewerage



117 systems, sewage treatment systems or other facilities or systems  
118 for the collection, transportation and treatment of water and  
119 wastewater.

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

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

134 (j) "Utility authority" or "authority" means the  
135 Mississippi Capitol Region Utility Authority.

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

140 (l) "Water" means potable water from either surface  
141 water or groundwater sources.



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

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

162           (3) The authority shall assume ownership, management and  
163 control over the water and wastewater systems on the date of  
164 termination of the receiver by the U.S. District Court for the  
165 Southern District of Mississippi, or an earlier date as ordered by  
166 the court. If the termination date is not the same for all



167 systems, the authority shall assume ownership, management and  
168 control over the system for which the receivership is terminated  
169 on the termination date for that system.

170 (4) In the event of any action or matter against the  
171 authority, the Chief Justice of the Mississippi Supreme Court  
172 shall select an appropriate circuit or chancery court, which shall  
173 have exclusive jurisdiction over the matter. For purposes of  
174 court costs, the authority shall be a private corporation.

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

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

187 (a) The Governor shall appoint five (5) members,  
188 including:

189 (i) Member 1, an employee of a large nonhealthcare  
190 business with a minimum of two hundred (200) employees working in  
191 facilities within the service area;





192 (ii) Member 2, an owner of a restaurant located  
193 within the service area;

194 (iii) Member 3, an employee of a local nonprofit  
195 organization located within the service area;

196 (iv) Member 4, a member of the clergy leading a  
197 place of worship within the service area; and

198 (v) Member 5, an at-large appointee who lives or  
199 works in the service area.

200 (b) The Lieutenant Governor shall appoint four (4)  
201 members, including:

202 (i) Member 6, a small business owner whose primary  
203 business location is within the service area;

204 (ii) Member 7, an employee of a large health care  
205 facility within the service area;

206 (iii) Member 8, an employee of a post-secondary  
207 institution within the service area; and

208 (iv) Member 9, an at-large appointee who lives or  
209 works in the service area.

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

212 In the appointment process, appointing authorities shall  
213 attempt to see that all portions of society and its diversity are  
214 represented in members of the authority. All appointed members  
215 must be residents of the State of Mississippi, must be ratepayers  
216 within the system boundaries, and must have significant,



217 demonstrated experience in business management, fiscal affairs,  
218 public health or public utilities. No current or former federal,  
219 state or local elected officials may be appointed.

220 (2) The initial terms of the board shall be as follows: The  
221 Governor shall appoint members 1 and 2 for a term of four (4)  
222 years, member 3 for a term of three (3) years, member 4 for a term  
223 of two (2) years, and member 5 for a term of one (1) year. The  
224 Lieutenant Governor shall appoint member 6 for a term of four (4)  
225 years, member 7 for a term of three (3) years, member 8 for a term  
226 of two (2) years, and member 9 for a term of one (1) year.

227 (3) Except as provided in subsection (2) of this section,  
228 appointments shall be for a term of four (4) years. Each member  
229 shall serve at the will and pleasure of his or her appointing  
230 authority and hold office until his successor has been appointed  
231 and qualified. Any member who changes residency outside of the  
232 service area, ends employment in the service area or allows his or  
233 her account to go into arrears shall be immediately discharged  
234 from the board. Vacancies shall be filled by appointment by the  
235 appropriate appointing authority, subject to the advice and  
236 consent of the Senate, for the length of the unexpired term only.  
237 Any member of the authority shall be eligible for reappointment  
238 for a maximum of two (2) full terms. Each member of the authority  
239 shall, before entering upon his duty, take an oath of office to  
240 administer the duties of his office faithfully and impartially,  
241 and a record of such oath shall be filed in the Office of the



242 Secretary of State. The authority shall annually elect from its  
243 membership a chairman and vice chairman who shall be eligible for  
244 reelection for up to four (4) consecutive terms. The authority  
245 shall also elect or appoint, and prescribe the duties of, such  
246 other officers, who need not be members, as the authority deems  
247 necessary or advisable, and the authority shall fix the  
248 compensation of such officers. The authority may delegate to one  
249 or more of its members, officers, employees or agents such powers  
250 and duties as it may deem proper, not inconsistent with this  
251 article or other provisions of law.

252 (4) The members of the board shall serve without salary but  
253 shall be entitled to receive per diem pay as provided in Section  
254 25-3-69, plus travel and necessary expenses, including mileage, as  
255 provided in Section 25-3-41, incurred while in the performance of  
256 his or her duties as a board member upon authorization by the  
257 board. Expenses shall be paid from the available funds of the  
258 authority after the authority assumes ownership, management and  
259 control of the water, wastewater and storm systems as provided in  
260 this chapter. Subject to appropriations, until the date the  
261 authority assumes ownership, management and control of the water  
262 and wastewater systems as provided in this chapter, expenses shall  
263 be paid by the State of Mississippi.

264 (5) All meetings of the board shall be subject to the Open  
265 Meetings Act in Section 25-41-1 et seq. The chairman or a



266 majority of members of the board may convene the board for a  
267 meeting.

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

271 (7) The board may by majority vote excuse the absence of any  
272 board member. If any board member is absent for two (2) board  
273 meetings in a twelve-month period without such absences being  
274 excused by the board, his or her membership on the board shall be  
275 terminated as a function of law, without any action by the board,  
276 and the removed board member shall be ineligible for reappointment  
277 to the board. The original appointing authority shall retain the  
278 right to appoint a new board member to replace the removed board  
279 member.

280 (8) No current or former employee of the authority shall be  
281 a board member.

282 (9) Until the utility authority assumes ownership,  
283 management and control of the water and wastewater systems, the  
284 board shall cooperate and coordinate with the receiver in order to  
285 provide the best opportunity for minimal disruption in service and  
286 maximum ease of transition after the receiver has concluded his  
287 work in overseeing and operating the water system.

288 **SECTION 6.** (1) The utility authority shall consult with the  
289 court in appointing a president by January 1, 2025, who shall  
290 serve at the will and pleasure of the board. If the authority



291 does not have ownership, management and control of the water and  
292 wastewater systems by the date of the appointment of a president,  
293 the State of Mississippi shall pay the salary of the president on  
294 a bimonthly basis, subject to appropriations. The president shall  
295 serve as deputy to the receiver until the court enters final  
296 judgement, at which time the president shall manage the daily  
297 affairs of the authority and shall have such powers and duties as  
298 specified by this chapter, by the board, and any rules or  
299 regulations adopted by the board. The president shall not be a  
300 member of the board and shall serve at the will and pleasure of  
301 the board.

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

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

311 (4) The board shall set the salary of the president at such  
312 level as necessary to recruit and retain a qualified professional  
313 with the expertise necessary in a public utility. The board may  
314 authorize whatsoever incentive compensation program for the  
315 president and authority staff as it deems necessary and proper.



316 The authority shall be exempt from the provisions of Section  
317 25-3-39.

318 **SECTION 7.** (1) The utility authority shall have the power,  
319 duty and responsibility to exercise general supervision over the  
320 design, construction, operation and maintenance of water and  
321 wastewater systems.

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

325 (3) The authority shall adopt rules and regulations  
326 regarding the use of decentralized treatment systems, individual  
327 on-site wastewater treatment systems and centralized wastewater  
328 treatment systems.

329 (4) The authority shall adopt rules establishing performance  
330 standards for water and wastewater systems and the operation and  
331 maintenance of the same. Such rules and regulations shall  
332 include: the implementation of a standard application form for  
333 the installation, operation and maintenance of such systems;  
334 application review; approval or denial procedures for any proposed  
335 system; inspection, monitoring and reporting guidelines; and  
336 enforcement procedures.

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



341 (b) Before approving or renewing a permit for a water  
342 or wastewater system within the authority, the state agency must  
343 require certification that the system complies with the  
344 authority's requirements.

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

348 (7) Notwithstanding the provisions of Section 51-39-1 et  
349 seq., the authority shall have the full power to adopt rules and  
350 regulations and to construct, maintain, lease and operate  
351 facilities for the control of storm water quality and quantity.  
352 In addition, the provisions of Section 51-33-1 et seq. relating to  
353 drainage districts and flood control districts do not apply to the  
354 authority.

355 (8) The authority may control and operate the local retail  
356 water or wastewater services and may provide or be responsible for  
357 direct servicing of those services to residences, businesses and  
358 individuals; however, the authority shall not provide the same  
359 service in an area provided by a public utility or person holding  
360 a certificate of public convenience and necessity issued by the  
361 Mississippi Public Service Commission for the provision of such  
362 services in the certificated area.

363 (9) The authority shall enter into contracts for major  
364 procurements after bidding. The authority may adopt  
365 administrative rules and regulations pursuant to the provisions of



366 this chapter providing for special procedures whereby the  
367 authority may make any class of procurement.

368 (10) In its bidding processes, the authority may do its own  
369 bidding and procurement or may utilize the services of the  
370 Department of Finance and Administration, the Department of  
371 Information Technology Services or other state agencies as  
372 appropriate and necessary.

373 (11) In the City of Ridgeland, which is served by only the  
374 wastewater system as of July 1, 2024, the authority shall have  
375 oversight or control of only wastewater service provided to  
376 ratepayers. To maintain consistency with the agreement in place  
377 with the City of Jackson prior to the existence of the authority,  
378 the City of Ridgeland shall have control over its rate structure,  
379 with the City of Ridgeland compensating the authority for its  
380 prorated share of wastewater conveyance, treatment, capital  
381 improvements and debt service.

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

385 (a) To acquire, construct, improve, enlarge, extend,  
386 repair, operate and maintain one or more of its systems used for  
387 the collection, transportation, treatment and disposal of water  
388 and wastewater;

389 (b) To make contracts with any person in furtherance  
390 thereof, and to make contracts with any person, under the terms of





391 which the authority will collect, transport, treat or dispose of  
392 water and wastewater for such person;

393 (c) To make contracts with any person to design and  
394 construct any water and wastewater systems or facilities, and  
395 thereafter to purchase, lease or sell, by installments over such  
396 terms as may be deemed desirable, reasonable and necessary, or  
397 otherwise, any such system or systems;

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

411 (e) To enter into contracts with any person or public  
412 agency, including, but not limited to, contracts authorized by  
413 this chapter, in furtherance of any of the purposes authorized  
414 under this chapter upon such consideration as the board and such  
415 person may agree. Any such contract may extend over any period of



416 time, notwithstanding any provision or rule of law to the  
417 contrary, may be upon such terms and for such consideration,  
418 nominal or otherwise, as the parties thereto shall agree, and may  
419 provide that it shall continue in effect until bonds specified  
420 therein, refunding bonds issued in lieu of such bonds, and all  
421 other obligations specified therein are paid or terminated. Any  
422 such contract shall be binding upon the parties thereto according  
423 to its terms;

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

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

430 (h) To invest money of the authority, including  
431 proceeds from the sale of any bonds subject to any agreements with  
432 bondholders, on such terms and in such manner as the authority  
433 deems proper;

434 (i) To pay any outstanding City of Jackson bonds  
435 relating to the water and sewer systems under their existing  
436 terms;

437 (j) To require the necessary relocation or rerouting of  
438 roads and highways, railroad, telephone and telegraph lines, and  
439 properties, electric power lines, gas pipelines and related  
440 facilities, or to require the anchoring or other protection of any



441 of these, provided fair compensation is first paid to the owners  
442 or an agreement with such owners regarding the payment of the cost  
443 of such relocation, and to acquire easements or rights-of-way for  
444 such relocation or rerouting and to convey the same to the owners  
445 of the property being relocated or rerouted in connection with the  
446 purposes of this chapter. This provision shall be in accordance  
447 with Mississippi Constitution Article 17A and Section 11-27-30;

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

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

464 (m) To acquire insurance for the authority's systems,  
465 facilities, buildings, treatment plants and all property, real or



466 personal, to insure against all risks as any insurance may, from  
467 time to time, be available;

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

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

489 (p) To make and enforce, and from time to time amend  
490 and repeal, bylaws, rules, ordinances and regulations for the



491 management of its business and affairs and for the construction,  
492 use, maintenance and operation of any of the systems under its  
493 management and control;

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

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



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

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

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

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

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



540 Mississippi Public Service Commission for the provision of such  
541 services in the certificated area;

542           (w) To assume control and administer, within the  
543 authority's jurisdiction, any water or wastewater system or  
544 systems by agreement or contract with any person if the person  
545 providing such services requests to be relieved of that  
546 responsibility.;

547           (x) To acquire property designated by plan to  
548 sufficiently accommodate the location of water or wastewater  
549 systems and such requirements related directly thereto pursuant to  
550 the provisions of Title 11, Chapter 27, Mississippi Code of 1972.  
551 The authority may acquire property necessary for any system and  
552 the exercise of the powers, rights and duties conferred upon the  
553 authority by this chapter. No person owning the drilling rights  
554 or the right to share in production shall be prevented from  
555 exploring, developing or producing oil or gas with necessary  
556 rights-of-way for ingress and egress, pipelines and other means of  
557 transporting such interests on any lands or interest of the  
558 authority held or used for the purposes of this chapter, but any  
559 such activities shall be subject to reasonable regulations by the  
560 board that will adequately protect the systems or projects of the  
561 authority. This provision shall be in accordance with Mississippi  
562 Constitution Article 17A and Section 11-27-30;



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

566           (z) To refuse to receive water or wastewater from any  
567 public agency or person, except with regard to municipalities or  
568 other areas within the service territory of the systems as of July  
569 1, 2024;

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

578           (bb) To adopt a seal and a symbol, and hold patents,  
579 copyrights, trademarks and service marks, and to enforce its  
580 rights with respect thereto.

581           (3) The authority shall:

582           (a) Submit annual reports to the Governor, Lieutenant  
583 Governor, Speaker of the House of Representatives, State Auditor,  
584 Joint Legislative Committee on Performance Evaluation and  
585 Expenditure Review and the governing authorities of any  
586 municipality whose citizens are within the authority's boundaries  
587 regarding the water quality and financial conditions of such





588 system or systems, as well as a schedule of currently planned  
589 repairs, upgrades or improvements planned by the authority;

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

602 (c) Publish audited annual financial statements, which  
603 shall be made available to the public. The annual financial  
604 statements shall include disposition of all funds expended by the  
605 authority for any purpose. Quarterly financial statements shall  
606 be made available to the public by posting on the authority's  
607 website;

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

610 (e) Adopt by administrative rules and regulations a  
611 code of ethics for officers and employees of the authority to



612 carry out the standards of conduct established by this chapter;  
613 and

614 (f) Adopt by administrative rules and regulations  
615 guidelines for the disposal of property if the authority is  
616 dissolved.

617 **SECTION 9.** (1) The president, as chief executive officer of  
618 the utility authority, if so appointed by the board, shall direct  
619 and supervise all administrative and technical activities in  
620 accordance with the provisions of this chapter, within the  
621 administrative rules and regulations adopted by the board, and in  
622 accordance with industry practice. The president shall:

623 (a) Supervise and administer or contract for the  
624 supervision and administration of the water and wastewater systems  
625 owned, managed or controlled by the authority;

626 (b) Employ and direct such personnel as may be  
627 necessary to carry out the purposes of this chapter and utilize  
628 such services, personnel or facilities of the authority as he or  
629 she may deem necessary;

630 (c) Make available for inspection by the board or any  
631 member of the board or the Governor, Lieutenant Governor, Speaker  
632 of the House or the governing authorities of any municipality  
633 whose citizens are served by the authority, upon request, all  
634 books, records, files and other information and documents of his  
635 or her office and advise the board and recommend such  
636 administrative rules and regulations and other matters he or she



637 deems necessary and advisable to improve the operation and  
638 administration of the authority;

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

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

650 (i) The position title and the salary for each  
651 position in the existing operating budget for the current fiscal  
652 year, indicating whether each position is filled or vacant as of  
653 the reporting date; and

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

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

659 (2) The president may:

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



662

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

668           (3) Agencies, departments or units of state government,  
669 including, but not limited to, the Mississippi Department of  
670 Health and the Mississippi Department of Environmental Quality,  
671 shall cooperate with the authority to regulate the authority and  
672 assure the effective operation of the authority's systems, with  
673 the understanding that such agencies act as a regulator and not  
674 operator of such systems. All state officers are hereby empowered  
675 and required to render such services to the authority within their  
676 respective functions as may be requested by the authority.

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

680           **SECTION 11.** Neither the directors of the utility authority,  
681 the board, its employees, nor any person or persons acting on  
682 their behalf, while acting within the scope of their authority,  
683 shall be subject to personal liability resulting from carrying out  
684 any of the powers granted herein in accordance with his or her  
685 good-faith belief that he or she is acting in the best interests  
686 of the authority.



687           **SECTION 12.** (1) The utility authority shall enter into its  
688 contracts for major procurements after a competitive and open  
689 procurement process. The authority may adopt administrative rules  
690 and regulations pursuant to the provisions of this chapter  
691 providing for special procedures whereby the authority may make  
692 any class of procurement. The authority shall endeavor to ensure  
693 the transparency and competitiveness of procurements of all sizes.

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

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

704           **SECTION 14.** All division heads, officers and employees of  
705 the utility authority shall be considered public servants as  
706 defined in Section 25-4-103. All division heads and officers of  
707 the authority are subject to Section 25-4-25 and shall be required  
708 to file a Statement of Economic Interest with the Mississippi  
709 Ethics Commission.

710           **SECTION 15.** (1) Any public agency, pursuant to a duly  
711 adopted resolution of the governing body of such public agency,



712 may enter into contracts with the utility authority under the  
713 terms of which the authority will manage, operate and contract for  
714 usage of its systems and facilities, or other services, for such  
715 public agency.

716 (2) Any public agency may enter into contracts with the  
717 authority for the authority to purchase or sell, by installments  
718 over such terms as may be deemed desirable, or otherwise, to any  
719 person or any systems. Any public agency may sell, donate, convey  
720 or otherwise dispose of water and wastewater facilities or  
721 systems, or any equipment, personal property or other things  
722 deemed necessary for the construction, operation and maintenance  
723 thereof to the authority without the necessity of appraisal,  
724 advertising or bidding. This section creates an alternative  
725 method of disposal of public property.

726 (3) Any public agency is authorized to enter into operating  
727 agreements with the authority, for such terms and upon such  
728 conditions as may be deemed desirable, for the operation of any of  
729 its systems by the authority or by any person contracting with the  
730 authority to operate such systems.

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

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



736           (6) Any such contract may contain provisions requiring any  
737 public agency to regulate the quality and strength of the material  
738 to be handled by the wastewater systems and may also provide that  
739 the authority shall have the right to use any streets, alleys and  
740 public ways and places within the jurisdiction of a public agency  
741 during the term of the contract. Such contracts may obligate the  
742 public agency to make payments to the authority or to a trustee in  
743 amounts which shall be sufficient to enable the authority to  
744 defray the expenses of administering, operating and maintaining  
745 its respective systems, to pay interest and principal (whether at  
746 maturity upon redemption or otherwise) on bonds of the authority  
747 issued under this chapter, and to fund reserves for debt service,  
748 for operation and maintenance and for renewals and replacements,  
749 to fulfill the requirements of any rate covenant with respect to  
750 debt service coverage contained in any resolution, trust indenture  
751 or other security agreement relating to the bonds of the authority  
752 issued under this chapter or to fulfill any other requirement  
753 relating to bonds issued pursuant to this chapter.

754           (7) Any public agency shall have the power to enter into  
755 contracts with the authority as deemed, in the discretion of the  
756 governing body of the public agency, would be in the best interest  
757 of the public agency. Such contracts may include a pledge of the  
758 full faith and credit of the public agency and/or the avails of  
759 any special assessments made by the public agency against property



760 receiving benefits, as now or hereafter provided by law. Any such  
761 contract may:

762 (a) Provide for the sale or lease to, or use by, the  
763 authority, of the systems or any part thereof, of the public  
764 agency;

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

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

771 (d) Contain provisions to assure equitable treatment of  
772 public agencies contracting with the authority under this chapter;  
773 and

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

776 Such contracts may extend over any period of time,  
777 notwithstanding any provisions of law to the contrary, and may  
778 extend beyond the life of the respective systems or any part  
779 thereof or the term of the bonds sold with respect to such  
780 facilities or improvements thereto.

781 (8) The obligations of a public agency arising under the  
782 terms of any contract referred to in this chapter, whether or not  
783 payable solely from a pledge of revenues, shall not be included  
784 within the indebtedness limitations of the public agency for





785 purposes of any constitutional or statutory limitation or  
786 provision. To the extent provided in such contract and to the  
787 extent such obligations of the public agency are payable wholly or  
788 in part from the revenues and other monies derived by the public  
789 agency from the operation of its systems or of its combined  
790 systems, or any part thereof, such obligations shall be treated as  
791 expenses of operating such systems.

792 (9) Contracts referred to in this section may also provide  
793 for payments in the form of contributions to defray the cost of  
794 any purpose set forth in the contracts and as advances for the  
795 respective systems or any part thereof subject to repayment by the  
796 authority. A public agency may make such contributions or  
797 advances from its general fund or surplus fund or from special  
798 assessments or from any monies legally available therefor.

799 (10) Subject to the terms of a contract or contracts  
800 referred to in this chapter, the authority is hereby authorized to  
801 do and perform any and all acts or things necessary, convenient or  
802 desirable to carry out the purposes of such contracts, including  
803 the fixing, charging, collecting, maintaining and revising of  
804 rates, fees and other charges for the services rendered to any  
805 user of any of the systems operated or maintained by the  
806 authority, whether or not such systems are owned by the authority.

807 (11) No provision of this chapter shall be construed to  
808 prohibit any public agency, otherwise permitted by law to issue  
809 bonds, from issuing bonds in the manner provided by law for the



810 construction, renovation, repair or development of any systems or  
811 any part thereof.

812        **SECTION 16.** Whenever a public agency shall have executed a  
813 contract under this chapter and the payments thereunder are to be  
814 made either wholly or partly from the revenues of the public  
815 agency's systems, or any part thereof, or a combination of such  
816 systems, the duty is hereby imposed on the public agency to  
817 establish and maintain and from time to time to adjust the rate or  
818 fees charged by the public agency for the services of such  
819 systems, so that the revenues therefrom, together with any taxes  
820 and special assessments levied in support thereof, will be  
821 sufficient at all times to pay:

822           (a) The expense of operating and maintaining such  
823 systems, including, but not limited to, all of the public agency's  
824 obligations to the utility authority and the cost required to  
825 staff such systems, its successors or assigns under such contract;  
826 and

827           (b) All of the public agency's obligations under and in  
828 connection with bonds theretofore issued, or which may be issued  
829 thereafter and secured by the revenues of such systems. Any such  
830 contract may require the use of consulting engineers and financial  
831 experts to advise the public agency whether and when such rates  
832 and fees are to be adjusted.

833        **SECTION 17.** (1) Notwithstanding the provisions of Sections  
834 77-3-21 and 77-3-23, the certificate of public convenience and



835 necessity held by any municipality, public agency, district,  
836 public utility or other entity authorized by law to provide water  
837 and wastewater services may be cancelled and its powers, duties  
838 and responsibilities transferred to the utility authority in the  
839 manner provided by this section.

840 (2) Any entity described in subsection (1) of this section  
841 desiring to have its certificate of public convenience and  
842 necessity cancelled and its powers, duties and responsibilities  
843 transferred to the authority shall make a determination to that  
844 effect on its official minutes if a public entity, or by affidavit  
845 if not a public entity, and transmit such determination to the  
846 authority.

847 (3) Upon receipt of the document evidencing such  
848 determination from an entity to transfer its powers, duties and  
849 responsibilities to the authority, the authority shall, by  
850 resolution, declare whether it is willing and able to accept such  
851 transfer from the entity.

852 (4) Upon completion of the requirements of subsections (2)  
853 and (3) of this section and agreement by both parties to the  
854 transfer, the holder of the certificate of public convenience and  
855 necessity and the authority shall jointly petition the Public  
856 Service Commission to cancel the certificate of public convenience  
857 and necessity. The petition must be accompanied by copies of the  
858 official minutes, affidavit or resolution, as the case may be,  
859 reflecting the actions of the petitioners. After review of the



860 petition and any other evidence as the Public Service Commission  
861 deems necessary, the commission may issue an order canceling the  
862 certificate and transferring to the authority the powers, duties  
863 and responsibilities granted by the certificate, including all  
864 assets and debts of the transferor petitioner related to such  
865 certificated services, real or personal, or both, if it finds  
866 that:

867           (a) Subsections (2) and (3) of this section have been  
868 complied with; and

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

870           (5) The authority and providers of water and wastewater  
871 services that are not holders of a certificate of a public  
872 convenience and necessity from the Public Service Commission may  
873 enter into agreements for the provision of such services,  
874 including, but not limited to, the transfer to the authority of  
875 such provider's powers, duties, responsibilities, assets and  
876 debts.

877           (6) Nothing herein shall require an entity whose powers and  
878 duties were transferred to the authority to remain under the  
879 authority.

880           **SECTION 18.** (1) Any system of a municipality, public agency  
881 or other entity that becomes subject to the jurisdiction of the  
882 utility authority and this chapter shall not impair, invalidate or  
883 abrogate any liens, bonds or other certificates of indebtedness



884 related to water or wastewater facilities and systems incurred  
885 prior to becoming subject to the jurisdiction of the authority.

886 (2) The authority may do and perform any and all acts  
887 necessary, convenient or desirable to ensure the payment,  
888 redemption or satisfaction of such liens, bonds or other  
889 certificates of indebtedness.

890 **SECTION 19.** (1) Sections 18 through 27 of this act apply to  
891 all bonds to be issued on or after July 1, 2024, and such  
892 provisions shall not affect, limit or alter the rights and powers  
893 of the utility authority under this chapter or any law of  
894 Mississippi to conduct the activities referred to herein in any  
895 way pertinent to the interests of the bondholders, including,  
896 without limitation, the authority's right to charge and collect  
897 rates, fees and charges and to fulfill the terms of any covenants  
898 made with the registered owners of any existing bonds, or in any  
899 other way impair the rights and remedies of the registered owners  
900 of any existing bonds, unless provision for full payment of such  
901 bonds, by escrow or otherwise, has been made pursuant to the terms  
902 of the bonds or the resolution, trust indenture or security  
903 interest securing the bonds.

904 (2) The authority shall have the power and is hereby  
905 authorized, from time to time, to borrow money and to issue  
906 revenue bonds and interim notes in such principal amounts as the  
907 authority may determine to be necessary to provide sufficient  
908 funds for achieving one or more of the purposes of this chapter,



909 including, without limiting the generality of the foregoing, to  
910 defray all the costs of the project, the cost of the acquisition,  
911 construction, improvement, repair or extension of a system, or any  
912 part thereof, whether or not such facilities are owned by the  
913 authority, the payment of interest on bonds of the authority  
914 issued pursuant to this chapter, establishment of reserves to  
915 secure such bonds and payment of the interest thereon, expenses  
916 incident to the issuance of such bonds and to the implementation  
917 of the authority's system, and all other expenditures of the  
918 authority incident to or necessary or convenient to carry out the  
919 purposes of this chapter.

920 (3) Before issuing bonds, other than interim notes or  
921 refunding bonds as provided in Section 20 of this act, the board  
922 of directors of the authority shall adopt a resolution declaring  
923 its intention to issue such bonds and stating the maximum  
924 principal amount of bonds proposed to be issued, a general generic  
925 description of the proposed improvements and the proposed location  
926 thereof and the date, time and place at which the board of  
927 directors proposes to take further action with respect to the  
928 issuance of such bonds. The resolution shall be published once a  
929 week for at least three (3) consecutive weeks in at least one (1)  
930 newspaper having a general circulation within the geographical  
931 limits of the service area under this chapter.

932 (4) Bonds of the authority issued pursuant to this chapter  
933 shall be payable from and secured by a pledge of all or any part



934 of the revenues derived from the operation of the systems or any  
935 part or parts thereof and any other monies legally available and  
936 designated therefor, as may be determined by the authority,  
937 subject only to any agreement with the purchasers of the bonds.  
938 Such bonds may be further secured by a trust indenture between the  
939 authority and a corporate trustee, which may be any trust company  
940 or bank having powers of a trust company without or within the  
941 state.

942 (5) Bonds of the authority issued pursuant to this chapter  
943 shall be authorized by a resolution or resolutions adopted by a  
944 majority affirmative vote of the total membership of the board.  
945 Such bonds may be issued in series, and each series of such bonds  
946 shall bear such date or dates, mature at such time or times, bear  
947 interest at such rate or rates (not exceeding the maximum rate set  
948 out in Section 75-17-103, Mississippi Code of 1972), be in such  
949 denomination or denominations, be in such form, carry such  
950 conversion privileges, have such rank or priority, be executed in  
951 such manner and by such officers, be payable from such sources in  
952 such medium of payment at such place or places within or without  
953 the state, provided that one such place shall be within the state,  
954 and be subject to such terms of redemption prior to maturity, all  
955 as may be provided by resolution or resolutions of the board. The  
956 term of such bonds issued pursuant to this chapter shall not  
957 exceed forty (40) years.



958           (6) Bonds of the authority issued pursuant to this chapter  
959 may be sold at such price or prices, at public or private sale, in  
960 such manner and at such times as may be determined by the  
961 authority to be in the public interest, and the authority may pay  
962 all expenses, premiums, fees and commissions which it may deem  
963 necessary and advantageous in connection with the issuance and  
964 sale thereof.

965           (7) Any pledge of earnings, revenues or other monies made by  
966 the authority shall be valid and binding from the time the pledge  
967 is made. The earnings, revenues or other monies so pledged and  
968 thereafter received by the authority shall immediately be subject  
969 to the lien of such pledge without any physical delivery thereof  
970 or further act, and the lien of any such pledge shall be valid and  
971 binding as against all parties having claims of any kind in tort,  
972 contract or otherwise against the authority irrespective of  
973 whether such parties have notice thereof. Neither the resolution  
974 nor any other instrument by which a pledge is created need be  
975 recorded.

976           (8) Neither the members of the board nor any person  
977 executing the bonds shall be personally liable on the bonds or be  
978 subject to any personal liability or accountability by reason of  
979 the issuance thereof.

980           (9) Proceeds from the sale of bonds of the authority may be  
981 invested, pending their use, in such securities as may be  
982 specified in the resolution authorizing the issuance of the bonds





983 or the trust indenture securing them, and the earnings on such  
984 investments applied as provided in such resolution or trust  
985 indenture.

986 (10) Whenever any bonds shall have been signed by the  
987 officer designated by the resolution of the board to sign the  
988 bonds who was in office at the time of such signing but who may  
989 have ceased to be such officer prior to the sale and delivery of  
990 such bonds, or who may not have been in office on the date such  
991 bonds may bear, the manual or facsimile signatures of such officer  
992 upon such bonds shall nevertheless be valid and sufficient for all  
993 purposes and have the same effect as if the person so officially  
994 executing such bonds had remained in office until the delivery of  
995 the same to the purchaser or had been in office on the date such  
996 bonds may bear.

997 (11) The authority has the discretion to advance or borrow  
998 funds needed to satisfy any short-term cash flow demands or  
999 deficiencies or to cover start-up costs until such time as  
1000 sufficient bonds, assets and revenues have been secured to satisfy  
1001 the needs of the authority. The State of Mississippi shall  
1002 provide surety for any advance or borrowing of funds required  
1003 under this chapter through June 30, 2029.

1004 **SECTION 20.** (1) The utility authority may, by resolution  
1005 adopted by its board, issue refunding bonds for the purpose of  
1006 paying any of its bonds at or prior to maturity or upon  
1007 acceleration or redemption. Refunding bonds may be issued at such



1008 time prior to the maturity or redemption of the refunded bonds as  
1009 the board deems to be in the public interest, without an election  
1010 on the question of the issuance thereof. The refunding bonds may  
1011 be issued in sufficient amounts to pay or provide the principal of  
1012 the bonds being refunded, together with any redemption premium  
1013 thereon, any interest accrued or to accrue to the date of payment  
1014 of such bonds, the expenses of issue of the refunding bonds, the  
1015 expenses of redeeming the bonds being refunded, and such reserves  
1016 for debt service or other capital or current expenses from the  
1017 proceeds of such refunding bonds as may be required by the  
1018 resolution, trust indenture or other security instruments. The  
1019 issue of refunding bonds, the maturities and other details  
1020 thereof, the security therefor, the rights of the holders and the  
1021 rights, duties and obligations of the authority in respect of the  
1022 same shall be governed by the provisions of this chapter relating  
1023 to the issue of bonds other than refunding bonds insofar as the  
1024 same may be applicable. Any such refunding may be effected,  
1025 whether the obligations to be refunded shall have then matured or  
1026 shall thereafter mature, either by the exchange of the refunding  
1027 bonds for the obligations to be refunded thereby with the consent  
1028 of the holders of the obligations so to be refunded, or by sale of  
1029 the refunding bonds and the application of the proceeds thereof to  
1030 the payment of the obligations proposed to be refunded thereby,  
1031 and regardless of whether the obligations proposed to be refunded



1032 shall be payable on the same date or different dates or shall be  
1033 due serially or otherwise.

1034 (2) Borrowing by the authority may be made by the delivery  
1035 of interim notes to any person or public agency or financial  
1036 institution by a majority vote of the board of directors.

1037 **SECTION 21.** All bonds, other than refunding bonds, interim  
1038 notes and certificates of indebtedness, which may be issued  
1039 pursuant to this chapter shall be validated as now provided by law  
1040 in Sections 31-13-1 through 31-13-11, Mississippi Code of 1972;  
1041 however, notice of such validation proceedings shall be addressed  
1042 to the citizens of the respective public agencies which have  
1043 contracted with the authority pursuant to this chapter, and whose  
1044 contracts and the payments to be made by the public agencies  
1045 thereunder constitute security for the bonds of the authority  
1046 proposed to be issued, and such notice shall be published at least  
1047 once in a newspaper or newspapers having a general circulation  
1048 within the geographical boundaries of each of the contracting  
1049 public agencies to whose citizens the notice is addressed. Such  
1050 validation proceedings shall be instituted in any chancery courts  
1051 within the boundaries of the authority. The validity of the bonds  
1052 so validated and of the contracts and payments to be made by the  
1053 public agencies thereunder constituting security for the bonds  
1054 shall be forever conclusive against the authority and the public  
1055 agencies, which are parties to said contracts, and the validity of  
1056 said bonds and said contracts and the payments to be made



1057 thereunder shall never be called in question in any court in this  
1058 state.

1059 **SECTION 22.** Bonds issued under the provisions of this  
1060 chapter shall not be deemed to constitute, within the meaning of  
1061 any constitutional or statutory limitation, an indebtedness of the  
1062 utility authority or the state. Such bonds shall be payable  
1063 solely from the revenues or assets of the authority pledged  
1064 therefor. Each bond issued under this chapter shall contain on  
1065 the face thereof a statement to the effect that neither the  
1066 authority nor the state shall be obligated to pay the same or the  
1067 interest thereon except from the revenues or assets pledged  
1068 therefor.

1069 **SECTION 23.** The utility authority shall have power in  
1070 connection with the issuance of its bonds pursuant to this chapter  
1071 to:

1072 (a) Covenant as to the use of any or all of its  
1073 property, real or personal;

1074 (b) Redeem the bonds, to covenant for their redemption  
1075 and to provide the terms and conditions thereof;

1076 (c) Covenant to charge rates, fees and charges  
1077 sufficient to meet operating and maintenance expenses, renewals  
1078 and replacements, principal and debt service on bonds, creation  
1079 and maintenance of any reserves required by a bonds resolution,  
1080 trust indenture or other security instrument and to provide for



1081 any margins or coverages over and above debt service on the bonds  
1082 deemed desirable for the marketability of the bonds;

1083 (d) Covenant and prescribe as to events of default and  
1084 terms and conditions upon which any or all of its bonds shall  
1085 become or may be declared due before maturity, as to the terms and  
1086 conditions upon which such declaration and its consequences may be  
1087 waived and as to the consequences of default and the remedies of  
1088 the registered owners of the bonds;

1089 (e) Covenant as to the mortgage or pledge of or the  
1090 grant of a security interest in any real or personal property and  
1091 all or any part of the revenues from any designated system or any  
1092 part thereof or any revenue-producing contract or contracts made  
1093 by the authority with any person or entity to secure the payment  
1094 of bonds, subject to such agreements with the registered owners of  
1095 bonds as may then exist;

1096 (f) Covenant as to the custody, collection, securing,  
1097 investment and payment of any revenues, assets, monies, funds or  
1098 property with respect to which the authority may have any rights  
1099 or interest;

1100 (g) Covenant as to the purposes to which the proceeds  
1101 from the sale of any bonds then or thereafter to be issued may be  
1102 applied, and the pledge of such proceeds to secure the payment of  
1103 the bonds;



1104 (h) Covenant as to the limitations on the issuance of  
1105 any additional bonds, the terms upon which additional bonds may be  
1106 issued and secured, and the refunding of outstanding bonds;

1107 (i) Covenant as to the rank or priority of any bonds  
1108 with respect to any lien or security;

1109 (j) Covenant as to the procedure by which the terms of  
1110 any contract with or for the benefit of the registered owners of  
1111 bonds may be amended or abrogated, the amount of bonds the  
1112 registered owners of which must consent thereto, and the manner in  
1113 which such consent may be given;

1114 (k) Covenant as to the custody of any of its properties  
1115 or investments, the safekeeping thereof, the insurance to be  
1116 carried thereon, and the use and disposition of insurance  
1117 proceeds;

1118 (l) Covenant as to the vesting in a trustee or  
1119 trustees, within or outside the state, of such properties, rights,  
1120 powers and duties in trust as the authority may determine;

1121 (m) Covenant as to the appointing and providing for the  
1122 duties and obligations of a paying agent or paying agents or other  
1123 fiduciaries within or outside the state;

1124 (n) Make all other covenants and do any and all such  
1125 acts and things as may be necessary, convenient or desirable in  
1126 order to secure its bonds, or in the absolute discretion of the  
1127 authority tend to make the bonds more marketable, notwithstanding  
1128 that such covenants, acts or things may not be enumerated herein,



1129 it being the intention hereof to give the authority power to do  
1130 all things in the issuance of bonds and in the provisions for  
1131 security thereof which are not inconsistent with the Constitution  
1132 of the state; and

1133 (o) Execute all instruments necessary or convenient in  
1134 the exercise of the powers herein granted or in the performance of  
1135 covenants or duties, which may contain such covenants and  
1136 provisions, as any purchaser of the bonds of the authority may  
1137 reasonably require.

1138 **SECTION 24.** The utility authority may, in any authorizing  
1139 resolution of the board, trust indenture or other security  
1140 instrument relating to its bonds issued pursuant to this chapter,  
1141 provide for the appointment of a trustee who shall have such  
1142 powers as are provided therein to represent the registered owners  
1143 of any issue of bonds in the enforcement or protection of their  
1144 rights under any such resolution, trust indenture or security  
1145 instrument. The authority may also provide in such resolution,  
1146 trust indenture or other security instrument that the trustee, or  
1147 in the event that the trustee so appointed shall fail or decline  
1148 to so protect and enforce such registered owners' rights then such  
1149 percentage of registered owners as shall be set forth in, and  
1150 subject to the provisions of, such resolution, trust indenture or  
1151 other security interest, may petition the court of proper  
1152 jurisdiction for the appointment of a receiver of the authority's  
1153 systems, the revenues of which are pledged to the payment of the



1154 principal of and interest on the bonds of such registered owners.  
1155 Such receiver may exercise any power as may be granted in any such  
1156 resolution, trust indenture or security instrument to enter upon  
1157 and take possession of, acquire, construct, reconstruct or operate  
1158 and maintain such system, fix charges for services of the system  
1159 and enforce collection thereof, and receive all revenues derived  
1160 from such system or facilities and perform the public duties and  
1161 carry out the contracts and obligations of the authority in the  
1162 same manner as the authority itself might do, all under the  
1163 direction of such court.

1164        SECTION 25. (1) The exercise of the powers granted by this  
1165 chapter will be in all respects for the benefit of the people of  
1166 the state, for their well-being and prosperity and for the  
1167 improvement of their social and economic conditions, and the  
1168 utility authority shall not be required to pay any tax or  
1169 assessment on any property owned by the authority under the  
1170 provisions of this chapter or upon the income therefrom, nor shall  
1171 the authority be required to pay any recording fee or transfer tax  
1172 of any kind on account of instruments recorded by it or on its  
1173 behalf.

1174        (2) Any bonds issued by the authority under this chapter,  
1175 their transfer and the income therefrom shall at all times be free  
1176 from taxation by the state or any local unit or political  
1177 subdivision or other instrumentality of the state, excepting  
1178 inheritance and gift taxes.





1179           SECTION 26. All bonds issued under the provisions of this  
1180 chapter shall be legal investments for trustees, other  
1181 fiduciaries, savings banks, trust companies and insurance  
1182 companies organized under the laws of the State of Mississippi,  
1183 and such bonds shall be legal securities which may be deposited  
1184 with and shall be received by all public officers and bodies of  
1185 the state and all municipalities and other political subdivisions  
1186 thereof for the purpose of securing the deposit of public funds.

1187           SECTION 27. The state hereby covenants with the registered  
1188 owners of any bonds of the utility authority that so long as the  
1189 bonds are outstanding and unpaid, the state will not limit or  
1190 alter the rights and powers of the authority under this chapter to  
1191 conduct the activities referred to herein in any way pertinent to  
1192 the interests of the bondholders, including, without limitation,  
1193 the authority's right to charge and collect rates, fees,  
1194 assessments and charges and to fulfill the terms of any covenants  
1195 made with the registered owners of the bonds, or in any other way  
1196 impair the rights and remedies of the registered owners of the  
1197 bonds, unless provision for full payment of such bonds, by escrow  
1198 or otherwise, has been made pursuant to the terms of the bonds or  
1199 the resolution, trust indenture or security interest securing the  
1200 bonds.

1201           SECTION 28. For the purposes of satisfying any temporary  
1202 cash flow demands and deficiencies, and to maintain a working  
1203 balance for the utility authority, the state, county,



1204 municipalities or public agencies within the geographic boundaries  
1205 of the authority, or other persons, subject to their lawful  
1206 authority to do so, are authorized to advance, at any time, such  
1207 funds which in their discretion are necessary, or borrow such  
1208 funds by issuance of notes, for initial capital contribution, and  
1209 to cover start-up costs until such times as sufficient bonds,  
1210 assets and revenues have been secured to satisfy the needs of the  
1211 authority for its management, operation and formation. To this  
1212 end, the state, county, municipality, public agency or person,  
1213 subject to its lawful authority to do so, shall advance such  
1214 funds, or borrow such funds by issuance of notes, under such terms  
1215 and conditions as may be provided by resolution of the governing  
1216 body, or other persons as defined in this chapter, subject to  
1217 their lawful authority to do so, except that each such resolution  
1218 shall state:

1219           (a) The need for the proceeds advanced or borrowed;

1220           (b) The amount to be advanced or the amount to be  
1221 borrowed;

1222           (c) The maximum principal amount of any note issued the  
1223 interest rate or maximum interest rate to be incurred, and the  
1224 maturity date of said note;

1225           (d) In addition, the governing body, or other persons  
1226 as defined in this chapter, subject to their lawful authority to  
1227 do so, may arrange for lines of credit with any bank, firm or  
1228 person for the purpose of providing an additional source of



1229 repayment for notes issued pursuant to this section. Amounts  
1230 drawn on a line of credit may be evidenced by negotiable or  
1231 nonnegotiable notes or other evidences of indebtedness and contain  
1232 such terms and conditions as the governing body, or other persons  
1233 as defined in this chapter, subject to their lawful authority to  
1234 do so, may authorize in the resolution approving the same;

1235           (e) The governing body of the county, municipalities or  
1236 other persons as defined in this chapter, subject to their lawful  
1237 authority to do so, may authorize the repayment of such advances,  
1238 notes, lines of credit and other debt incurred under this section,  
1239 along with all costs associated with the same, including, but not  
1240 limited to, rating agency fees, printing costs, legal fees, bank  
1241 or trust company fees, line of credit fees and other charges to be  
1242 reimbursed by the authority under such terms and conditions as are  
1243 reasonable and are to be provided for by resolution of the  
1244 governing body, or terms agreed upon with other persons as defined  
1245 in this chapter, subject to their lawful authority to do so; and

1246           (f) In addition, the governing body of the county,  
1247 municipality or public agency may lease or donate office space and  
1248 equipment to the authority under such terms and conditions as are  
1249 reasonable and are to be provided for by resolution of the  
1250 governing body, or terms agreed upon by the authority.

1251           **SECTION 29.** This act, being necessary for the welfare of the  
1252 state and its inhabitants, shall be liberally construed to effect  
1253 the purposes thereof. If any section, provision, paragraph,



1254 sentence, phrase or word of this act shall be held invalid by any  
1255 court of competent jurisdiction, the remainder of this act shall  
1256 not be affected thereby.

1257         **SECTION 30.** Sections 1 and 3 through 28 of this act shall be  
1258 codified as a separate chapter in Title 51, Mississippi Code of  
1259 1972.

1260         **SECTION 31.** This act shall take effect and be in force from  
1261 and after July 1, 2024.

