

House Bill 398

By: Representatives Channell of the 111th, Parham of the 122nd and Hudson of the 120th

A BILL TO BE ENTITLED
AN ACT

1 To create the Sinclair Water Authority to provide for water projects in Baldwin and Putnam
2 counties; to provide for a short title, legislative intent, and purpose; to provide for definitions;
3 to provide for a governing board and its membership, terms, organization, compensation,
4 bylaws, vacancies, and meetings; to provide for the powers and duties of the authority; to
5 provide for services, procurement, bonding, and conflicts of interest; to provide for revenue
6 bonds and their form, interest rates, denominations, payment, signatures, negotiability,
7 exemption from taxation, sale, proceeds, interim bonds, and replacement; to provide for
8 conditions for issuance of bonds and that they will not constitute certain debts; to provide for
9 trust indentures, sinking fund and payment of proceeds; to provide for bondholder remedies
10 and interests, refunding bonds, venue and jurisdiction, and bond validation; to provide for
11 trust funds, charges, rules and regulations, financial statements, audits, and other reports; to
12 provide for tax exemptions; to provide for supplemental powers, liberal construction, and
13 powers of other governmental entities; to repeal conflicting laws; and for other purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

15 **SECTION 1.**

16 Short title.

17 This Act shall be known and may be cited as the "Sinclair Water Authority Act."

18 **SECTION 2.**

19 Legislative intent.

20 The General Assembly of Georgia recognizes, supports, and encourages comprehensive
21 regional planning in anticipation of growth in the utilization of regional water resources. It
22 supports the concept that each county should be free to plan and determine its own growth
23 in the utilization of its share of regional water resources as well as to plan for other
24 infrastructure growth in conjunction with community needs and standards. It intends that the
25 Sinclair Water Authority created by this Act assist in the planning, implementation, and

1 management on a regional basis of the production of potable water and distribution of same
2 within the Counties of Baldwin and Putnam and to the surrounding area.

3 **SECTION 3.**

4 Sinclair Water Authority created.

5 There is created a body corporate and politic, to be known as the Sinclair Water Authority
6 (hereinafter SWA), which shall be a public corporation and by that name, style, and title said
7 body may contract and be contracted with, bring and defend actions, sue and be sued,
8 implead and be impleaded, and complain and defend in all courts. SWA shall make rules and
9 regulations for its own government and shall have perpetual existence.

10 **SECTION 4.**

11 Purpose of SWA.

12 Without limiting the generality of any provisions of this Act, the general purpose of SWA
13 shall be that of acquiring and developing adequate sources of water supply, including but not
14 limited to the construction of reservoirs and the treatment of such water, and thereafter the
15 transmission of such water to the governing authorities of Baldwin and Putnam counties. It
16 is recognized that water resources are finite, and that water conservation shall be encouraged
17 by this Authority, the member counties, and all water users within the area. It is a further
18 objective of SWA to fulfill its purposes and perform its projects in an environmentally
19 sensitive manner and to strictly limit interbasin transfers of water.

20 **SECTION 5.**

21 Definitions.

22 (a) As used in this Act, the term:

23 (1) "Authority" shall mean the Sinclair Water Authority created by Section 3 of this Act.
24 SWA shall act through its board.

25 (2) "Board" shall mean the governing body of SWA created in Section 6 of this Act.

26 (3) "Cost of the project" means the cost of planning, design, and construction, the cost
27 of all lands, properties, rights, easements, and franchises acquired, the cost of all
28 buildings, machinery and equipment, financing charges, interest prior to and during
29 construction, cost of compliance with environmental regulations and environmental
30 protection, cost of engineering, architectural and legal expenses, cost of plans and
31 specifications, cost of water conservation programs and activities, and other costs
32 necessary or incident to determining the feasibility or practicability of any project,
33 administrative costs, and such other costs as may be necessary or incident to the financing
34 authorized in this Act, the construction of any project, the placing of the same in

1 operation, and the condemnation of property necessary for such construction and
2 operation. Any obligation or cost incurred for any of the foregoing purposes shall be
3 regarded as a part of the cost of the project and may be paid or reimbursed as such out of
4 the proceeds of revenue bonds, certificates, or other obligations issued under the
5 provisions of this Act for such project.

6 (4) "Interbasin transfers" means the delivery by whatever means of any treated or
7 untreated water outside the drainage basins which exist within the boundaries of Baldwin
8 and Putnam counties.

9 (5) "Member county" means Baldwin County and Putnam County, unless the governing
10 authority of any such county has adopted a resolution, at any time, declaring that such
11 county shall not be a member county under this Act. Such withdrawal by any member
12 county from SWA shall not affect any previously incurred obligations with respect to the
13 issuance of or payment of any bonds, certificates, or other obligations of SWA. Another
14 county may become a member county upon election as such by the governing authorities
15 of Baldwin and Putnam counties.

16 (6) "Project" means and includes the planning, design, acquisition, construction, and
17 management of reservoirs; the acquisition of real property surrounding the reservoirs
18 including watershed areas and all necessary and usual water facilities useful for obtaining
19 one or more sources of water supply including ground-water sources; the treatment of
20 water and the transmission and sale of water to member counties; water conservation and
21 environmental mitigation; and the management, operation, maintenance, additions,
22 improvements, and extensions of such facilities so as to assure adequate water utility
23 systems deemed by SWA to be necessary or convenient for the efficient operation of such
24 undertaking.

25 (7) "Public authority" means any entity which is created by the laws of the State of
26 Georgia, which is designated as an authority, and which provides services or facilities to
27 the public.

28 (8) "Revenue bonds" and "bonds" shall mean revenue bonds, certificates, and other
29 obligations of SWA, as defined and provided for in Article 3 of Chapter 82 of Title 36
30 of the O.C.G.A., the "Revenue Bond Law," and such type of obligations may be issued
31 by SWA as authorized under said article. In addition, such terms shall also mean
32 obligations of SWA, the issuance of which is specifically provided for in this Act.

33 (9) "Site county" shall mean any county within which SWA causes to be located a
34 reservoir or any facility or improvement for which property is acquired, by condemnation
35 or purchase, in fee simple.

36 (10) "Transmission" means the conveying of raw or treated water from any facility of
37 SWA to any member county for the purpose of resale to end users of such water or

1 wholesale purchasers of such water and does not include conveyance of water to ultimate
2 users.

3 (b) Any project shall be deemed self-liquidating if, in the judgment of SWA, the revenues
4 and earnings to be derived by SWA therefrom will be sufficient to pay the costs of operating,
5 maintaining, repairing, improving, and extending the project and to pay the principal and
6 interest of the revenue bonds which may be issued for the cost of such project or projects.

7 SECTION 6.

8 Board.

9 (a) SWA shall be governed by a board which shall exercise all powers and duties of SWA.
10 The board shall manage the operations of SWA and shall perform such other functions that
11 may be provided for or authorized by law.

12 (b) The board of SWA shall be comprised of the following members, each of whom shall
13 have one vote. Each board member must reside within a member county or have a principal
14 place of business within the boundary of a member county.

15 (1) One board member shall be the chairman of the Board of Commissioners of each
16 member county, unless such official notifies the governing authority of that county that
17 such official does not wish to serve on the board, in which event that governing authority
18 shall appoint one of its members to serve on the board in place of that chairman. The
19 regular term of these members shall be concurrent with their terms of office.

20 (2) One board member shall be appointed by the governing authority of each member
21 county. The member appointed pursuant to this paragraph may not be an elected official
22 or employee of a member county or of a municipality located in a member county but
23 must be a resident of the county whose governing authority appoints that member. The
24 regular and initial terms of these members shall be four years, except that the initial term
25 of the member appointed by the governing authority of Putnam County shall be two
26 years.

27 (3) One board member shall be elected by the members specified in paragraphs (1) and
28 (2) of this subsection. This member shall be the chairperson and shall serve a regular
29 term of four years. The initial term of this member shall be two years. In the event that
30 a majority of those members are unable to agree as to this appointment, those members
31 shall each submit to the Chief Judge of the Ocmulgee Judicial Circuit the name of a
32 person recommended for this position and the chief judge shall appoint the chairman
33 from those persons whose names have been so submitted to that judge.

34 (c) Members of the board shall serve for the terms specified in this section and until the
35 selection and qualification of their respective successors. In the event a vacancy occurs on
36 the board, it shall be filled in the same manner as that vacated position was originally filled

1 but for the remainder of the unexpired term and until a successor is selected and qualified.
 2 No member, except those selected pursuant to paragraph (1) of subsection (b) of this section,
 3 shall serve more than two consecutive terms.

4 (d) A majority of the members of the board shall constitute the quorum necessary for a
 5 meeting of the board, provided that no quorum shall be present unless there is present a board
 6 member resident in and selected by the governing authority of each member county. It shall
 7 require a majority of the quorum present to approve matters coming before the board, except
 8 that the following matters shall require a majority of the total votes of the board plus one
 9 additional vote: purchases or contracts in excess of an amount established by the board of
 10 SWA; authorization for the issuance of bonds; acquisition of property by condemnation; and
 11 the employment or removal of the water plant superintendent. The board members shall
 12 elect a secretary-treasurer who need not be a member of the board.

13 (e) Members of the board shall serve on the board with compensation to be recommended
 14 by them and approved by the governing authorities of the member counties and shall be
 15 reimbursed by SWA for their ordinary and usual expenses properly incurred in the
 16 performance of their duties.

17 (f) The board is authorized to enact bylaws to govern its meetings, attendance and the
 18 removal of members for nonattendance, voting, quorum and voting requirements, and other
 19 matters relating to the conduct of its affairs not inconsistent with the provisions of this Act.
 20 The governing authorities of the member counties shall approve said bylaws and any
 21 amendments thereto before said bylaws or amendments shall have effect.

22 (g) The board shall meet on a least a quarterly basis. Notice of regular meetings shall be
 23 published at least one week prior to the scheduled date in the legal organ of each member
 24 county and said meetings shall be otherwise subject to the provisions of Chapter 14 of Title
 25 50 of the O.C.G.A.

26 **SECTION 7.**

27 Powers.

28 SWA is authorized:

- 29 (1) To have a seal and alter the seal at pleasure;
- 30 (2) To acquire by purchase, lease, or otherwise and to hold, lease, and dispose of real and
 31 personal property of every kind and character for its corporate purposes;
- 32 (3) To acquire in its own name by purchase on such terms and conditions and in such
 33 manner as it may deem proper, or by condemnation in accordance with the provisions of
 34 any and all existing laws applicable to the condemnation of property for public use, real
 35 property, rights, or easements therein or franchises necessary or convenient for its
 36 corporate purposes, to use the same so long as its corporate existence shall continue, and

1 to lease or make contracts with respect to the use of or to dispose of the same in any
2 manner deemed by the board to be to the best advantage of SWA, SWA being under no
3 obligation to accept and pay for any property condemned under this Act except from the
4 funds provided to SWA under this Act; and in any proceedings to condemn, such orders
5 may be made by the court having jurisdiction of the suit, action, or proceedings as may
6 be just to SWA and to the owners of the property to be condemned; and no property shall
7 be acquired under the provisions of this Act upon which any lien or other encumbrance
8 exists, unless at the time such property is so acquired a sufficient sum of money is
9 deposited in trust to pay and redeem the fair value of such lien or encumbrance;

10 (4) To appoint, select, and employ a water plant superintendent and other officers,
11 agents, and employees, including engineering, architectural, construction, and lake
12 management experts, fiscal agents, attorneys, and other professionals and fix their
13 respective compensation;

14 (5) To make contracts and leases and to execute all instruments necessary or convenient
15 to carry out the purposes of this Act, including contracts for construction of projects and
16 leases of projects or contracts with respect to the use of projects which it causes to be
17 constructed or acquired, and any and all persons, firms, and corporations and any and all
18 political subdivisions, departments, institutions, or agencies of the state are authorized to
19 enter into contracts, leases, or agreements with SWA upon such terms and for such
20 purposes as they deem advisable; and without limiting the generality of the above,
21 authority is specifically granted to the SWA to enter into contracts, lease agreements, or
22 other undertakings relative to the furnishing and sale of wholesale water, water facilities,
23 and related services by SWA to member counties, or relative to the furnishing of water
24 facilities and services by municipal corporations, counties, corporations, or individuals
25 to SWA for a term not exceeding 50 years;

26 (6) To plan, design, construct, erect, acquire, own, lease, repair, remodel, maintain, add
27 to, extend, improve, equip, operate, and manage projects as defined in paragraph (6) of
28 subsection (a) of Section 5 of this Act, the cost of any such project to be paid in whole
29 or in part from the proceeds of revenue bonds of SWA, from revenues available from
30 contracting for services, or from such proceeds and any grant from the United States of
31 America, the State of Georgia, or any agency or instrumentality thereof;

32 (7) To accept loans and grants of money, materials, or property of any kind from the
33 United States of America, the State of Georgia, or any political subdivision, agency, or
34 instrumentality thereof upon such terms and conditions as the United States of America,
35 the State of Georgia, or such political subdivision, agency, or instrumentality may
36 impose;

1 (8) To borrow money for any of its corporate purposes, to issue revenue bonds payable
2 solely from funds pledged for that purpose; and to provide for the payment of the same
3 and for the rights of the holders thereof;

4 (9) To exercise any power which is usually possessed by private corporations performing
5 similar functions and which is not in conflict with the Constitution and laws of this state;

6 (10) To purchase policies of insurance as may be deemed appropriate for its corporate
7 purposes;

8 (11) To apply for and accept any and all local, state, or federal permits necessary and
9 convenient for its corporate purposes;

10 (12) To appoint a technical advisory group or such other committees as circumstances
11 might require; and

12 (13) To do all things necessary or convenient to carry out the powers expressly given in
13 this Act.

14 **SECTION 8.**

15 Limitations of power.

16 (a) SWA:

17 (1) Shall not obligate any member county to issue or guarantee revenue bonds, nor shall
18 SWA bind the member county to any capital indebtedness contract unless that member
19 county has approved such issuance or guarantee of an indebtedness contract or revenue
20 bonds by official action or vote as may be required by law;

21 (2) Shall not give preferential rate treatment to any member county and shall maintain
22 uniform rates for comparable service for each member county. This provision shall not
23 impair the ability of member counties to reduce or increase the uniform rate between and
24 among themselves in the event one member provides an enhancement to the water supply
25 including, but not limited to, treatment or transmission of such water;

26 (3) Consistent with and subject to all state and federal laws and regulations, shall provide
27 for stream withdrawal rights among member counties prior to the funding of any
28 reservoir project; and

29 (4) Shall, consistent with and subject to all state and federal laws and regulations, strictly
30 limit interbasin transfers of water and shall provide that except in the event of a bona fide
31 water emergency, any proposed interbasin transfer of water resources shall be offered to
32 all member counties in proportion to their respective rights to the water pursuant to
33 intergovernmental agreements. Upon such an offer, the member counties shall have 90
34 days to consider said offer and if accepted, an additional 90 days to commence the
35 acquisition of the water before it may be transferred outside the basin. The sale from one
36 member county to another shall be at the uniform rate established for the sale of water to

1 member counties by SWA. Member counties shall have the right to waive their right of
2 first refusal. Interbasin transfers in a bona fide water emergency shall be allowed
3 provided they are limited to 60 days in any calendar year and are approved by the
4 member counties.

5 (b) The member counties shall not sell or transmit the water resources of SWA outside of
6 the geographical boundaries of the member counties unless such water resource capacity is
7 first offered to all member counties. Upon such an offer, the member counties shall have 90
8 days to consider said offer and if accepted, an additional 90 days to commence the
9 acquisition of the water before it is sold outside the geographical boundaries of the member
10 counties. The sale from one member county to another shall be at the uniform rate
11 established for the sale of water to member counties by SWA. Member counties shall have
12 the right to waive their right of first refusal. The provisions of paragraph (4) of subsection
13 (a) of this section and of this subsection shall not apply to water lines and water customers
14 of the member counties in existence as of the effective date of this Act.

15 **SECTION 9.**

16 Services to member counties.

17 SWA is authorized to provide water services and facilities to each member county so long
18 as such county remains a member county in accordance with policies of SWA and
19 agreements among the member counties. Such services and the costs for same shall be
20 delineated in intergovernmental agreements between SWA and member counties.

21 **SECTION 10.**

22 Procurement of goods and services.

23 SWA shall adopt regulations and requirements for the procurement of goods and services as
24 are reasonable and necessary and consistent with requirements of state law.

25 **SECTION 11.**

26 Contractors to give bond.

27 SWA shall adopt regulations and requirement to bonds from contractors who are awarded
28 contracts by SWA as are reasonable and necessary and consistent with requirements of state
29 law.

SECTION 12.

Authority and member county governing authority

members not to be interested in contracts.

SWA is prohibited from entering into a contract for the purchase of goods, property, or services with any individual who serves on the board of SWA or the governing authority of a member county, or is that individual's employer, partner, principal, agent, servant, or employee, nor shall SWA enter into any contract in which such individual is financially interested, directly or indirectly. No individual who serves on the board of SWA or the governing authority of a member county, nor that individual's partner, employer, principal, agent, servant, or employee shall enter into any contract with SWA or sell to SWA any goods, property, or service; provided, however, this section shall not apply to goods or services purchased from any public utility which is regulated by the Georgia Public Service Commission, nor to goods or services purchased from any county, municipal corporation, public authority, or the state. Any contract made in violation of this section shall be void.

SECTION 13.

Revenue bonds.

SWA, or any public authority or body which had or which may in the future succeed to the powers, duties, and liabilities vested in SWA created by this Act, is authorized, at one time or from time to time, to provide by resolution for the issuance of revenue bonds of SWA for the purpose of paying all or any part of the cost of any one or more projects. The principal and interest of such revenue bonds shall be payable solely from the special fund provided in Section 25 of this Act for such payment. The bonds of each issue shall be dated, shall bear interest at such rate or rates, shall be payable, shall mature at such time or times not to exceed 50 years from their date or dates, shall be payable in such medium of payment as to both principal and interest, and may be made redeemable before maturity, at such price or prices, and under such terms and conditions as may be determined by SWA in the resolution providing for the issuance of the bonds.

SECTION 14.

Revenue bonds; form; denominations; registration; place of payment.

SWA shall determine the form of the bonds and shall fix the interest rates, denomination or denominations of the bonds, and the place or places of payment of principal and interest thereof, which may be at any bank or trust company inside or outside the state. The bonds may be issued in bearer or registered form, or both, as SWA may determine, and provision may be made for the registration of any bond as to principal alone or also as to both the principal and interest.

SECTION 15.

Revenue bonds; signatures; seal.

In case any officer whose signature or facsimile signature shall appear on any bonds or on any coupons shall cease to be such officer before the delivery of such bonds, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. All such bonds shall be signed by the chairperson of the board and the official seal of SWA shall be fixed thereto or imprinted thereon and attested by the secretary of the board and any coupons attached thereto shall bear the signature or facsimile signature of the chairperson of the board. Any coupon may bear the facsimile signature of such person and any bond may be signed, sealed, and attested on behalf of SWA by such persons as at this actual time of the execution of such bonds shall be duly authorized or hold the proper office, although at the date of such bonds such persons may not have been so authorized or shall not have held such office.

SECTION 16.

Revenue bonds; negotiability; exemption from taxation.

All revenue bonds issued under this Act shall have and are declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the state. Such bonds and the income thereof shall be exempt from all taxation within this state.

SECTION 17.

Revenue bonds; sale; price.

SWA may sell such bonds in such a manner and for such price as it may determine to be for the best interest of SWA, but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at a greater rate than the interest allowed by Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law," computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, excluding, however, from such computation the amount of any premium to be paid on redemption of any bond prior to maturity.

SECTION 18.

Revenue bonds; proceeds of bonds.

The proceeds of such bonds shall be used solely for the payment of the cost of the project or projects and, unless otherwise provided in the resolution authorizing the issuance of the bonds or in the trust indenture, additional bonds may be issued in like manner to provide the amount of such deficit, which, unless otherwise provided in the resolution authorizing the

1 issuance of the bonds or in the trust indenture, shall be deemed to be of the same fund
2 without preference or priority of the bonds first issued for the same purpose.

3 **SECTION 19.**

4 Revenue bonds; interest receipts and certificates or temporary bonds.
5 Prior to the preparation of definitive bonds, SWA may issue interim receipts, interim
6 certificates, or temporary bonds, with or without coupons exchangeable for definitive bonds
7 upon the issuance of the later.

8 **SECTION 20.**

9 Revenue bonds; replacement of lost or mutated bonds.
10 SWA may also provide for the replacement of any bond which shall become mutilated or be
11 destroyed or lost.

12 **SECTION 21.**

13 Revenue bonds; conditions precedent to issuance; object of issuance.
14 Such revenue bonds may be issued without any other proceedings or the happening of any
15 other conditions or things than those proceedings, conditions, and things which are specified
16 or required by this Act. In the discretion of SWA, revenue bonds of a single issue may be
17 issued for the purpose of any particular project. Any resolution providing for the issuance
18 of revenue bonds under this Act shall become effective immediately upon its passage and
19 need not be published or posted, and any such resolution may be passed at any regular or
20 special or adjourned meeting of SWA by its board member at any meeting where a quorum
21 is present and voting requirements are met.

22 **SECTION 22.**

23 Revenue bonds; credit not pledged.
24 Revenue bonds issued under the provisions of this Act shall not be deemed to constitute a
25 debt of this state, or any county or municipality thereof, or any public authority except SWA
26 created by this Act, nor shall such bonds be deemed a pledge of the faith and credit of this
27 state, any county or municipality thereof, or any public authority except SWA created by this
28 Act, but such bonds shall be payable solely from the fund provided for in this Act; and the
29 issuance of such revenue bonds shall not directly, indirectly, or contingently obligate this
30 state, or any county or municipality thereof, to levy or to pledge any form of taxation
31 whatever therefor or to make any appropriation for the payment of such bonds; and all such
32 bonds shall contain recitals on their face covering substantially the foregoing provisions of
33 this section.

SECTION 23.

Revenue bonds; trust indenture as security.

In the discretion of SWA, any issue of such revenue bonds may be secured by a resolution or a trust indenture by and between SWA and a corporate trustee, which may be any foreign or domestic trust company or bank having the powers of a trust company. Such resolution or trust indenture may pledge or assign fees, tolls, revenues, and earnings to be received by SWA. Either the resolution providing for the issuance of revenue bonds or such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of SWA in relation to the acquisition of property, the construction of the project, the maintenance, operation, repair, and insurance of the project, and the custody, safeguarding, and application of all moneys and may also provide that any project shall be constructed and paid for under the supervision and approval of registered professional consulting engineers of the State of Georgia or architects employed or designated by SWA and satisfactory to the original purchasers of the bonds issued therefor and may also require that the security given by contractors and by any depository of the proceeds of the bonds or revenues or other moneys be satisfactory to such purchasers and may also contain provisions concerning the conditions, if any, upon which additional revenue bonds may be issued. It shall be lawful for any bank or trust company incorporated under the laws of this state to act as such depository and to furnish such indemnifying bonds or pledge such securities as may be required by the board. Such resolution or trust indenture may set forth the rights and remedies of the bondholders and of the trustee and may restrict the individual right of action of bondholders as is customary in resolution or trust indentures securing bonds and debentures of corporations. In addition to the foregoing, such resolution or trust indenture may contain such other provisions as the board may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out such resolution or trust indenture may be treated as a part of the cost of maintenance, operation, and repair of the project affected by such indenture.

SECTION 24.

Revenue bonds; to whom proceeds of bonds shall be paid.

In the resolution providing for the issuance of revenue bonds or in the trust indenture, SWA shall provide for the payment of the proceeds of the sale of the bonds to any officer or person who, or any agency, bank, or trust company which, shall act as trustee, custodian, or depository of such funds and shall hold and apply the same to the purposes for which such bonds were issued, subject to such regulations as this Act and such resolution or trust indenture may provide.

SECTION 25.

Revenue bonds; sinking fund.

The revenues, fees, and earnings derived from any particular project or projects, regardless of whether or not such fees, earnings, and revenues were produced by a particular project for which bonds have been issued unless otherwise pledged and allocated, may be pledged and allocated by SWA to the payment of the principal and interest on revenue bonds of SWA as the resolution authorizing the issuance of the bonds or the trust instrument may provide; and such funds so pledged from whatever source received, which said pledge may include funds received from one or more or all sources, shall be set aside at regular intervals, as may be provided in the resolution or trust indenture, into a sinking fund, which sinking fund shall be pledged to and charged with the payment of:

- (1) The interest upon such revenue bonds as such interest shall fall due;
- (2) The principal of the bonds as the same shall fall due;
- (3) The necessary charges of paying agents for paying principal and interest; and
- (4) Any premium upon bonds retired by call or purchase as provided in this Act.

The use and disposition of such sinking fund shall be subject to such regulations as may be provided in the resolution authorizing the issuance of the revenue bonds or in the trust indenture, except as may otherwise be provided in such resolution or trust indenture. Such sinking fund shall be a fund for the benefit of all revenue bonds without distinction or priority of one over another. Subject to the provisions of the resolution authorizing the issuance of the bonds or the trust indenture, surplus moneys in the sinking fund may be applied to the purchase or redemption of bonds. Any such bonds so purchased or redeemed shall forthwith be canceled and shall not again be issued.

SECTION 26.

Revenue bonds; remedies of bondholders.

Any holder of revenue bonds issued under this Act or any coupons appertaining thereto and the trustee under the trust indenture, if any, except to the extent the rights given in this Act may be restricted by the resolution passed before the issuance of the bonds or by the trust indenture, may, either at law or in equity, by suit, action, mandamus, or other proceedings, protect and enforce any and all rights under the laws of the State of Georgia or granted under this Act or under such resolution or trust indenture and may enforce and compel performance of all duties required by this Act or by such resolution or trust indenture, and may enforce and compel performance of all duties required by this Act or by such resolution or trust indenture to be performed by SWA or any officer thereof, including the fixing, charging, and collecting of revenues, fees, tolls, and other charges for the use of the facilities and services furnished.

SECTION 27.

Revenue bonds; refunding bonds.

SWA is authorized to provide by resolution of its board for the issuance of revenue refunding bonds of SWA for the purpose of refunding any revenue bonds issued under this Act and then outstanding, together with accrued interest thereon. The issuance of such revenue refunding bonds, the maturities, all other details thereof, and the duties of SWA with respect to the same shall be governed by the foregoing provisions of this Act insofar as the same may be applicable.

SECTION 28.

Revenue bonds; venue and jurisdiction.

Any action to protect or enforce any rights under this Act or any suit or action against SWA shall be brought in the Superior Court of the site county for the first facility constructed by SWA, and any action pertaining to validation of any bonds issued under this Act shall likewise be brought in said court, which shall have exclusive jurisdiction of such actions.

SECTION 29.

Revenue bonds; validation.

Bonds of SWA shall be confirmed and validated in accordance with the procedure of Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law." The petition for validation shall also make a party defendant to such action any municipality, county, public authority, subdivision, or instrumentality of the State of Georgia which has contracted with SWA for furnishing or receiving the services and facilities of the water systems for which bonds are to be issued and sought to be validated, and such municipality, county, public authority, subdivision, or instrumentality shall be required to show cause, if any, why such contract or contracts and the terms and conditions thereof should not be inquired into by the court, the validity of the terms thereof be determined, and the contract or contracts adjudicated as security for the payment of any such bonds of SWA. The bonds, when validated, and the judgement of validation, shall be final and conclusive with respect to such bonds against SWA issuing the same and any municipality, county, public authority, subdivision, or instrumentality contracting with SWA.

SECTION 30.

Revenue bonds; interest of bondholders protected.

While any of the bonds issued by SWA remain outstanding, the powers, duties, or existence of SWA or of its officers, employees, or agents shall not be diminished or impaired in any manner that will affect adversely the interests and right of the holders of such bonds, and no

1 other entity, department, agency, or public authority will be created which will compete with
2 SWA to such an extent as to affect adversely the interests and rights of the holders of such
3 bonds nor will the state itself so compete with SWA. The provisions of this Act shall be for
4 the benefit of SWA and the holders of any such bonds and, upon the issuance of bonds under
5 the provisions of this Act, shall constitute a contract with the holders of such bonds.

6 **SECTION 31.**

7 Moneys received considered trust funds.

8 All moneys received by SWA pursuant to this Act, whether as proceeds from the sale of
9 revenue bonds, as grants, or other contributions, or as revenues, fees, and earnings, shall be
10 deemed to be trust funds to be held and applied solely as provided in this Act.

11 **SECTION 32.**

12 Rates, charges, and revenues; use.

13 SWA is authorized to prescribe, fix, and collect rates, fees, or charges and to revise from time
14 to time and collect such rates, fees, or charges for the services, facilities, or commodities
15 furnished and, in anticipation of the collection of the revenues of such undertaking or project,
16 to pay from current revenues and issue revenue bonds as provided in this Act to finance in
17 whole or in part the cost of the acquisition, construction, reconstruction, improvement,
18 betterment, or extension of the water systems and to pledge to the punctual payment of said
19 bonds and interest thereon all or any part of the revenues of such undertakings or projects,
20 including the revenues of improvements, betterments, or extensions subsequently made to
21 the systems.

22 **SECTION 33.**

23 Rules and regulations for operation of projects.

24 It shall be the duty of the board to prescribe rules and regulations for the operation of the
25 project or projects constructed under the provisions of this Act, including the basis on which
26 water transmission services and facilities shall be furnished.

27 **SECTION 34.**

28 Financial statements and audit reports.

29 (a) SWA shall establish a fiscal year, which may be a calendar year, for its operation and,
30 as soon as practicable after the end of each fiscal year, SWA shall cause to be prepared and
31 printed a report and financial statement of SWA operations for the fiscal year just ended and
32 of its assets and liabilities. A copy of such report shall be sent to the governing authority of

1 each member county and additional copies shall be made available for distribution to the
2 general public on written requests thereof.

3 (b) SWA shall appoint in due time each year a firm of independent certified public
4 accountants as auditors who shall examine the books, records, and accounts of SWA for the
5 purpose of auditing and reporting upon its financial statements for such year. The report of
6 such auditors shall be appended to such financial statement.

7 (c) Whenever SWA deems it necessary or advisable, it shall be authorized to employ a firm
8 or firms of qualified engineers or other such professionals to survey condition of SWA's
9 facilities and operation from the engineering, operational, or environmental standpoint and
10 make a report therefor together with its recommendation for improvement in its physical
11 facilities and operating procedures. A copy of such report shall be sent to the governing
12 authority of each member county and additional copies shall be made available for
13 distribution to the general public on written requests therefor.

14

SECTION 35.

15

Exemption from taxes.

16 It is found, determined, and declared that the creation of SWA and the carrying out of its
17 corporate purposes are in all respects for the benefit of the people of this state and constitute
18 a public purpose and that SWA will be performing an essential governmental function in the
19 exercise of the powers conferred upon it by this Act. SWA therefore shall be required to pay
20 no taxes or assessment upon any of the property acquired by it or under its jurisdiction,
21 control, possession, or supervision or upon its activities in the operation or maintenance of
22 the facilities erected, maintained, or acquired by it or any fees, rentals, or other charges for
23 the use of such facilities or other income received by SWA.

24

SECTION 36.

25

Powers declared supplemental and additional.

26 The foregoing sections of this Act shall be deemed to provide an additional and alternative
27 method for doing the things authorized thereby, shall be regarded as supplemental and
28 additional to powers conferred by other laws, and shall not be regarded as being in
29 derogation of any powers now existing.

30

SECTION 37.

31

Liberal construction of Act.

32 This Act, being for the welfare of various political subdivisions of the state and its
33 inhabitants, shall be liberally construed to effect the purposes hereof.

1

SECTION 38.

2

Powers of counties and municipalities.

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This Act does not in any way take from member counties, municipalities, or public

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authorities located within such member counties or any adjoining county the power to own,

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operate, and maintain water or waste-water systems, or issue revenue certificates as is

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provided by Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law."

7

SECTION 39.

8

Repealer.

9

All laws and parts of laws in conflict with this Act are repealed.