

House Bill 1247

By: Representatives Stephens of the 164th, McCall of the 30th, Smith of the 70th, Carter of the 159th, Hill of the 180th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 50 of the Official Code of Georgia Annotated, relating to state government,
2 so as to provide for legislative findings; to create the Georgia Water Authority; to provide
3 for definitions; to provide for the principal office of the authority; to provide for the nature
4 of the authority; to provide for the composition of the authority; to provide for its officers;
5 to provide for meetings, quorums, attendance, and notice; to provide for the expense
6 reimbursement of members; to provide for rules and regulations; to provide for the
7 employment of staff and consultants and advisers; to require the keeping of certain records;
8 to provide for the purposes and powers of the authority; to provide for the operation of the
9 authority; to provide that the authority is an institution of purely public charity performing
10 an essential governmental function and its property is public property; to provide tax exempt
11 status; to provide for certain contracts and contracting abilities; to provide for the nature and
12 content of such contracts; to provide for the issuance and validation of revenue bonds and
13 the replacement of such bonds; to provide approval for the investment of certain funds in
14 such bonds by certain entities; to provide for the use of the proceeds of such bonds; to
15 provide for bond anticipation notes; to provide for the liability for the payment of such bonds
16 and notes; to provide for relief in the event of default; to establish the amount of fees, tolls,
17 and charges to fund such bonds and notes; to provide for audits; to provide for venue; to
18 exempt certain activities from regulation by the Public Service Commission; to provide for
19 the applicability of certain laws; to provide for the liberal construction; to provide for related
20 matters; to repeal conflicting laws; and for other purposes.

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

22 **SECTION 1.**

23 The General Assembly finds that certain political subdivisions, municipal corporations, and
24 public authorities of this state now own and operate, or intend to own and operate, water
25 distribution systems to serve their citizens, inhabitants, and customers by providing them
26 with water for all purposes; and, if such political subdivisions are to furnish, and if the

1 members of the public in the areas they serve are to receive, adequate service, such political
 2 subdivisions, municipal corporations, and public authorities must have adequate, dependable,
 3 and economical sources of water supplies. The General Assembly declares that there exists
 4 in this state a need for an authority to function without profit in developing and promoting
 5 for the public good in this state adequate, dependable, and economical sources and supplies
 6 of desalinized (desalted) water for the purposes expressed in this Act, and to assist in the
 7 financing of additions and other expenditures for the water systems of such political
 8 subdivisions.

9 **SECTION 2.**

10 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended
 11 by adding a new Chapter 36 to read as follows:

12 "CHAPTER 36

13 50-36-1.

14 As used in this chapter, the term:

15 (1) 'Authority' means the Georgia Water Authority and any successor thereto. Any
 16 change in name or composition of the authority shall in no way affect the vested rights
 17 of any person under this chapter or impair the obligations of any contracts existing under
 18 this chapter.

19 (2) 'Bond anticipation notes' or 'notes' means obligations issued after validation of bonds
 20 and in anticipation of the issuance of the bonds as validated.

21 (3) 'Bonds' or 'revenue bonds' means any bonds issued by the authority under this
 22 chapter, including refunding bonds.

23 (4) 'Cost of project' or 'cost of construction' means all costs of construction; all costs of
 24 real and personal property required for the purposes of such project and facilities related
 25 thereto, including land and any leases, rights, or undivided interest therein, easements,
 26 franchises, water rights, fees, permits, approvals, licenses, and certificates, and the
 27 securing of such permits, approvals, licenses, and certificates and the preparation of
 28 applications therefor, and including all machinery and equipment, including equipment
 29 for use in connection with such construction; financing charges; working capital; interest
 30 prior to and during construction and during such additional period as the authority may
 31 determine; operating expenses during such period as the authority may determine; costs
 32 of engineering, architectural, and legal services; costs of plans and specifications and all
 33 expenses necessary or incidental to determining the feasibility or practicability of the
 34 project; costs of insurance or of self-insuring any project; administrative expenses;

1 amounts payable under any judgment against the authority; disposal costs; all costs
2 associated with acquiring contract rights or other contractual arrangements for the
3 short-term or long-term provision of water supplies, including reserves, transmission,
4 storage, reservoirs, or other services associated therewith, including prepayments for
5 such; and such other expenses as may be necessary or incidental to the financing
6 authorized by this chapter. All funds paid or advanced for any of the purposes mentioned
7 in this paragraph by political subdivisions contracting with the authority prior to the
8 issuance of any of the authority's bonds or notes may be refunded to such political
9 subdivisions out of the proceeds of any bonds or notes so issued. The costs of any project
10 may also include a fund or funds for the creation of a debt service reserve, a renewal and
11 replacement reserve, and such other reserves as may be reasonably required by the
12 authority for the operation of its projects and as may be authorized by any bond
13 resolution or trust agreement or indenture pursuant to the provisions of which the
14 issuance of any such bonds or bond anticipation notes may be authorized. Any obligation
15 or expense incurred for any of the purposes mentioned in this paragraph shall be regarded
16 as a part of the cost of project and may be paid or reimbursed as such out of the proceeds
17 of revenue bonds or notes issued under this chapter for such project.

18 (5) 'Distribution' means the conveyance of water to any purchaser thereof.

19 (6) 'Political subdivision' means any political subdivision, municipal corporation, or
20 public authority of the State of Georgia.

21 (7) 'Private entity' means any nongovernmental, profit, or nonprofit entity qualified to
22 do business in the State of Georgia.

23 (8) 'Production' means the physical activities, processes, properties, and facilities for
24 development, manufacture, treatment, synthesis, production, extraction, gathering, or
25 storage of water.

26 (9) 'Project,' 'undertaking,' or 'facility' means any plant, works, system, reservoir, facility,
27 and real and personal property of any nature whatsoever, together with all parts thereof
28 and appurtenances thereto, and any contract rights, relating to the storage, acquisition,
29 production, distribution, enrichment, transmission, purchase, sale, exchange, or
30 interchange of water and relating to the acquisition, extraction, conversion, transportation,
31 or storage for any such purposes, or any interest in, or right to the use, services,
32 enrichment, output, or capacity of any such plant, works, system, or facilities. The term
33 'project' or 'undertaking' as used in this paragraph is intended to include contracts and
34 contract rights as well as tangible property.

35 (10) 'Storage' means any process, properties, activities, or facilities used to hold, store,
36 or maintain water, including reservoirs.

1 (11) 'System' means those properties, facilities, projects, contractual rights, or
2 combination thereof of the authority which are designated by the authority as constituting
3 a specific combination for the purposes of financing such or for the purposes of providing
4 water supplies or services to a specified group of political subdivisions or to a specified
5 geographic area.

6 (12) 'Transmission' means the transfer of water from its production or acquisition site to,
7 between, or among political subdivisions or other persons with whom they may contract,
8 but does not include distribution, except where incidental or necessary to transmission.

9 (13) 'Water' means desalinized (desalted) water.

10 50-36-2.

11 (a) There is created a public body corporate and politic to be known as the Georgia Water
12 Authority, which shall be a public corporation of the State of Georgia and which shall have
13 perpetual existence. The authority, however, shall not be a political subdivision of the state
14 but shall be an instrumentality of the state, a mere creature of the state, having distinct
15 corporate entity and being exempt from Article 2 of Chapter 17 of this title.

16 (b) The authority shall have its principal office either in Clayton County or in a county
17 contiguous to Clayton County. The authority's residence for the purposes of this chapter
18 shall be either Clayton County or such other county contiguous to Clayton County. If the
19 authority designates a county other than Clayton County as its principal office, notice of
20 such designation shall be given in writing to the Secretary of State and the address of such
21 designated office shall be available for public inspection in the office of the Secretary of
22 State.

23 50-36-3.

24 The authority shall consist of seven members. The seven members shall be the Governor,
25 the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the
26 state auditor, the Attorney General, the Commissioner of Agriculture, the director of the
27 Environmental Protection Division of the Department of Natural Resources, and the
28 commissioner of the Department of Economic Development.

29 50-36-4.

30 The Governor shall be the chairperson of the authority. The authority shall elect from
31 among its membership a vice chairperson, a secretary-treasurer, and an assistant
32 secretary-treasurer. Such officers shall serve for such terms as shall be prescribed by
33 resolution of the authority or until their successors are elected and qualified.

1 50-36-5.

2 At all meetings of the authority, the presence in person or by telephone conference call of
3 a majority of the members in office shall be necessary for the transaction of business, and
4 the affirmative vote of a majority of such quorum shall be necessary for any action of the
5 authority. No vacancy in the membership of the authority shall impair the right of such
6 majority to exercise all the rights and perform all the duties of the authority. If at any
7 meeting there is less than a majority present in person or by telephone conference call, a
8 majority of those present may adjourn the meeting to a fixed time and place, and notice of
9 such time and place shall be given in accordance with subsection (c) of Code Section
10 50-36-6, provided that, if the time element of subsection (c) of Code Section 50-36-6
11 cannot reasonably be complied with, such notice, if any, of such adjourned meeting shall
12 be given as is reasonably practicable.

13 50-36-6.

14 (a) The annual meeting of the authority shall be held on the anniversary date of the first
15 meeting of the authority unless the date, time, and place of such annual meeting shall
16 otherwise be fixed by resolution of the authority.

17 (b) Special meetings of the authority may be called by resolution of the authority, by the
18 chairperson or vice chairperson, or upon the written request of at least three members of
19 the authority.

20 (c) Written notice of all meetings shall be delivered by the secretary to each political
21 subdivision contracting with the authority and to each member of the authority not less than
22 ten days prior to the date of such meeting in the case of regular meetings and not less than
23 three days prior to the date of such meeting in the case of special meetings.

24 (d) Notice of a meeting of the authority need not be given to any member who signs a
25 waiver of notice either before or after the meeting. Attendance of a member at a meeting
26 shall constitute a waiver of notice of such meeting and a waiver of any and all objections
27 to the place or time of the meeting or to the manner in which it has been called or
28 convened, except when a member states at the beginning of the meeting any such objection
29 or objections to the transaction of business. Neither the business to be transacted at, nor
30 the purpose of, any regular or special meeting of the authority need be specified in the
31 notice or the waiver of notice of such meetings.

32 (e) In addition to the annual meeting of the authority, regular meetings of the authority
33 may be established by resolution of the authority; and no notice, other than notice of the
34 adoption of such resolution conveyed to any member of the authority who was absent when
35 it was adopted, shall be required for such meeting, except for the notice required by
36 subsection (c) of this Code section.

1 50-36-7.

2 The members of the authority shall not be entitled to compensation for their services, but
3 may be reimbursed by the authority for their actual expenses properly incurred in the
4 performance of their duties. The authority shall make rules and regulations for its own
5 government and may retain, employ, and engage all necessary staff and personnel,
6 including professional and technical supervisors, assistants, and experts and other agents
7 and employees, whether temporary or permanent, as it may require. Any one or more of
8 such persons so engaged may be designated as an additional assistant secretary-treasurer
9 of the authority and may be given the duties of keeping the books, records, and minutes of
10 the authority; of giving all notices required by Code Sections 50-36-5 and 50-36-6; and,
11 in the absence of or in lieu of the secretary-treasurer, of performing all other functions of
12 the secretary-treasurer. Officers and employees designated by the authority pursuant to this
13 Code section shall serve at the pleasure of the authority.

14 50-36-8.

15 The authority shall keep suitable books and records of all its obligations, contracts,
16 transactions, and undertakings; of all income and receipts of every nature; and of all
17 expenditures of every kind.

18 50-36-9.

19 The purpose of the authority shall be:

20 (1) To acquire, construct, or acquire and construct and to operate and maintain or to
21 cause to be constructed, operated, and maintained systems, projects, and facilities for the
22 storage, acquisition, production, distribution, transmission, purchase, sale, exchange, or
23 interchange of desalinized water; and

24 (2) To take all other necessary or desirable actions in order to provide or make available
25 an adequate, dependable, and economical supply of desalinized water and related services
26 to those political subdivisions of this state identified in Code Section 50-36-14 which
27 may desire the same and, incidentally and so as to take advantage of economies of scale
28 in the storage, acquisition, production, distribution, transmission, purchase, sale,
29 exchange, or interchange of desalinized water, to provide or make available such water
30 and related services to other persons and entities.

31 50-36-10.

32 The authority shall have all powers necessary or convenient to carry out and effectuate the
33 purpose and provisions of this chapter including, but without limiting the generality of the
34 foregoing, the power:

- 1 (1) To sue and be sued in contract and in tort and to complain and defend in all courts;
- 2 (2) To adopt and to alter a corporate seal;
- 3 (3) To acquire in its own name, inside and outside this state, real property or rights and
4 easements therein and franchises and personal property necessary or convenient for its
5 corporate purposes, by purchase, on such terms and conditions and in such manner as it
6 may deem proper, or by gift, grant, lease, or otherwise; to insure the same against any and
7 all risks as such insurance may, from time to time, be available; and to use such property,
8 rent or lease the same to or from others, make contracts with respect to the use thereof,
9 or sell, lease, or otherwise dispose of any such property in any manner it deems to the
10 best advantage of the authority and the purposes thereof. The power to acquire, use, and
11 dispose of property provided in this paragraph shall include the power to acquire, use, and
12 dispose of any interest in such property, whether divided or undivided, which acquisition
13 may result in the ownership of such property or any part thereof in common with any
14 other party, whether public or private. Title to any such property of the authority,
15 however, shall be held by the authority exclusively for the benefit of the public. If the
16 authority shall deem it expedient to construct any project on lands which are subject to
17 the control of the state or of any political subdivision or public corporation of the state,
18 the appropriate state authorities, in the case of lands controlled by the state, or the
19 governing authorities of such political subdivisions or such public corporations are
20 authorized to convey such lands to the authority for such consideration, not exceeding
21 reasonable value, as may be agreed upon by the authority, as grantee, and by the
22 appropriate state authorities or by the governing body of such political subdivision or by
23 such public corporation, as grantor, taking into consideration the public benefit to be
24 derived from such conveyance;
- 25 (4) To appoint and select officers, agents, and employees, including engineering,
26 architectural, and construction experts, fiscal agents, and attorneys, and to fix their
27 compensation;
- 28 (5) To acquire, by purchase or otherwise, in whole or in part, inside or outside this state,
29 as provided in paragraph (3) of this Code section, and to place into operation and operate
30 or cause to be placed into operation and operated, either as owner of all or of any part in
31 common with others or as agent, facilities and projects for the storage, acquisition,
32 production, distribution, transmission, purchase, sale, exchange, or interchange of water;
33 to acquire and to provide, by sale or otherwise, an adequate, dependable, and economical
34 water supply to political subdivisions of this state contracting with the authority pursuant
35 to the authority of Code Section 50-36-14; and, through such political subdivisions, to
36 supply such water to the members of the public in the areas served by them; and, as agent
37 for such political subdivisions, to secure water contracts and arrangements with other

1 persons. The authority shall also have the power, which may be exercised either as
2 principal or as agent, to manufacture, store, and transmit water; to manufacture, buy, sell,
3 import, export, lease, or otherwise acquire and generally deal in water apparatuses of all
4 kinds and machinery and devices and materials for the manufacture, storage, and
5 transmission of water; to purchase water at retail or wholesale from any other person; to
6 purchase or construct part of the capacity of projects or facilities sponsored and owned
7 by or in common with others, making any such purchase at wholesale or retail inside or
8 outside this state; to contract for the purchase of water from, or the sale of water to, the
9 United States government and water utility systems either privately or publicly owned,
10 inside or outside this state; to execute long-term or short-term water purchase or sale
11 contracts on terms which may include agreements with respect to resale rates and the
12 disposition of revenues; to interchange, exchange, store, and purchase water from any
13 person; to erect, buy, lease, or otherwise acquire, operate, and maintain water projects;
14 to transmit water both for itself and on behalf of others; to erect, buy, sell, lease, or
15 otherwise acquire, maintain, and operate or cause to be maintained and operated plants,
16 underground subways, conduits, and pipelines above, upon, and under the streets, alleys,
17 lands, and territories of political subdivisions, public or private corporations, or
18 individuals; and to continue to sell water to political subdivisions of this state which are
19 authorized to contract with the authority pursuant to Code Section 50-36-14 and to other
20 persons and entities inside or outside this state and, as agent for any or all of the same,
21 to make water otherwise available to them through arrangements with other persons, all
22 in the exercise of the powers of the authority and to effectuate the purposes of this
23 chapter;

24 (6) To designate one or more systems in effectuating any of its purposes;

25 (7) To contract with the state and its agencies, instrumentalities, and departments; with
26 those political subdivisions of the state which are authorized to contract with the authority
27 pursuant to Code Section 50-36-14; and with private persons and corporations inside or
28 outside this state. This power includes the making of contracts for the construction of
29 projects, which contracts for construction may be made either as sole owner of the project
30 or as owner, in common with other public or private persons, of any divided or undivided
31 interest therein; and is further intended to include, without limitation, the making of
32 contracts for the purchase, sale, exchange, interchange, pooling, transmission,
33 distribution, or storage of water for any such purposes, inside and outside the State of
34 Georgia, in such amounts as it shall determine to be necessary and appropriate to make
35 the most effective use of its powers and to meet its responsibilities, on such terms and for
36 such period of time, not exceeding 50 years, as the authority shall determine; and is
37 further intended to include, without limitation, the making of contracts for furnishing

1 water supply development services and management services to political subdivisions
2 contracting with the authority pursuant to Code Section 50-36-14;

3 (8) To exercise any one or more of the powers, rights, and privileges conferred by this
4 chapter either alone or jointly or in common with one or more other parties or utilities,
5 whether public or private. In any such exercise of such powers, rights, and privileges
6 jointly or in common with others with respect to the construction, operation, and
7 maintenance of water projects or facilities, the authority may own an undivided interest
8 in such facilities with any other parties, whether public or private. The authority may
9 enter into agreements with respect to any such water storage, manufacturing, distribution,
10 or transmission facility with the other parties participating therein, and any such
11 agreement may contain such terms, conditions, and provisions consistent with this
12 chapter as the parties thereto shall deem to be in their best interests. Any such agreement
13 may include, but need not be limited to, provisions for the construction, operation, and
14 maintenance of such water storage, manufacturing, or transmission facility by any one
15 or more of the parties to such agreement, which party or parties shall be designated in or
16 pursuant to such agreement as agent or agents on behalf of itself and one or more of the
17 other parties thereto, or by such other means as may be determined by the parties thereto.
18 Such an agreement may also include provisions for methods of determining and
19 allocating among or between the parties the costs of construction, operation, maintenance,
20 renewals, replacements, improvements, and disposals with respect to such facility. In
21 carrying out its functions and activities as such agent with respect to the construction,
22 operation, and maintenance of such facility, such agent shall be governed by the laws and
23 regulations applicable to such agent as a separate legal entity, and not by any laws or
24 regulations which may be applicable to any of the other participating parties.
25 Notwithstanding any other law to the contrary, pursuant to the terms of any such
26 agreement, the authority may delegate its powers and duties with respect to the
27 construction, operation, and maintenance of such facility to the party acting as agent; and
28 all actions taken by such agent in accordance with the provisions of such agreement may
29 be made binding upon the authority without further action or approval by the authority;

30 (9) To accept, receive, and administer gifts, grants, appropriations, and donations of
31 moneys, materials, and property of any kind, including loans and grants from the United
32 States government or the State of Georgia or any agency, department, authority, or
33 instrumentality of either, upon such terms and conditions as the United States
34 government, the State of Georgia, or such agency, department, authority, or
35 instrumentality shall impose; to administer trusts; and to sell, lease, transfer, convey,
36 appropriate, and pledge any and all of its property and assets;

1 (10) To invest any accumulation of its funds and any sinking fund or reserves in any
2 manner that the authority considers prudent, including entering into hedging, options, and
3 future transactions, notwithstanding any other law of this state relating to investment of
4 public funds, and to purchase its own bonds and notes;

5 (11) To employ such investment and money-management techniques as the authority
6 shall determine to be prudent and not inconsistent with this chapter or the other laws of
7 the state;

8 (12) To do any and all things necessary to reduce the cost of water furnished to political
9 subdivisions contracting with the authority including, without limitation, entering into
10 interest rate swaps and other arrangements for restructuring the authority's capitalization;

11 (13) To provide management, technical, financial, informational, promotional, and
12 educational services to and for the benefit of the political subdivisions;

13 (14) To do any and all things necessary or proper for the accomplishment of the
14 objectives of this chapter and to exercise any power usually possessed by private
15 corporations performing similar functions which is not in conflict with the Constitution
16 and laws of this state, including:

17 (A) Employment of professional and administrative staff and personnel and retaining
18 of legal, engineering, and other professional services;

19 (B) The purchase of all kinds of insurance, including, without limitation, insurance
20 against tort liability and against risks of damage to property;

21 (C) The borrowing of money for any of the corporate purposes of the authority,
22 provided that obligations of the authority other than revenue bonds for which provision
23 is made in this chapter shall be payable from funds of the authority other than any
24 special fund allocated to the payment of revenue bonds, and shall not be a charge
25 against such special fund;

26 (D) The power to indemnify and hold harmless any parties contracting with the
27 authority or its agents from damage to persons or property; and

28 (E) The power to act as self-insurer with respect to any loss or liability; and

29 (15) To issue its revenue bonds as provided in this chapter in evidence of its
30 indebtedness incurred with respect to the powers described in this chapter, such bonds to
31 be payable from the revenues, receipts, and earnings of the projects or systems of the
32 authority and other available funds thereof; to execute trust agreements or indentures; to
33 sell, convey, pledge, and assign any and all of its funds, assets, property, and income as
34 security for the payment of such revenue bonds; and to provide for the payment of the
35 same and for the rights of the owners thereof.

1 50-36-11.

2 The authority shall not operate or construct any project for profit, except insofar as any
3 such profit will inure to the benefit of the public. The authority shall fix the rates, fees, and
4 charges consistent with this declaration of policy such as will produce revenues only in
5 amounts sufficient, together with all other funds of the authority, to pay the principal or
6 purchase price of and premium, if any, and interest on bonds and all other indebtedness and
7 contractual obligations of the authority; to provide for maintenance and operation of the
8 authority and of its projects; to provide for payment of any judgment against the authority;
9 and to maintain such reserves as shall have been created in amounts sufficient in the
10 judgment of the authority for the security of the bonds and other obligations; and for the
11 improvement, replacement, or expansion of the facilities or services of the authority or to
12 provide fuel for its projects.

13 50-36-12.

14 (a) It is found, determined, and declared that the creation of the authority and the carrying
15 out of its corporate purposes are in all respects for the benefit of the people of this state and
16 that the authority is an institution of purely public charity performing an essential
17 governmental function.

18 (b) The property of the authority is declared, and shall in all respects be considered, to be
19 public property. Title to the authority's property shall be held by the authority only for the
20 benefit of the public; and the use of such property pursuant to this chapter shall be and is
21 declared to be for essential public and governmental purposes, that is, for the promotion
22 of public general welfare in the matter of providing an adequate, dependable, and
23 economical water supply in an effort to better the general condition of society in this state,
24 which promotion is declared to be a public beneficence for the good of humanity and for
25 the general improvement and happiness of society.

26 (c) All property of the authority; all income, obligations, and interest on the bonds and
27 notes of the authority; and all transfers of such property, bonds, or notes shall be and are
28 declared to be exempt from taxation by the state or any of its political subdivisions.

29 50-36-13.

30 (a) The authority may contract with any political subdivision of this state which is
31 authorized by Code Section 50-36-14 to make such contracts for the payment of such rates,
32 tolls, fees, and charges as may be prescribed by the authority for the use by such
33 subdivisions or the residents thereof of the services, projects, and facilities of the authority,
34 including the purchase of water supply planning and development services. Any such
35 political subdivision shall have the right and power, by resolution of its governing body,

1 to make such a contract; and the amounts contracted to be paid by such political
2 subdivision to the authority under such a contract shall constitute general obligations of
3 such political subdivision for the payment of which the full faith and credit of such political
4 subdivision may be pledged to provide the funds required to fulfill all obligations arising
5 under any such contract.

6 (b) Any such political subdivision which enters into such a contract pursuant to this
7 chapter shall, annually in each and every fiscal year during the term of such contract,
8 include in a general revenue or appropriation measure, whether or not any other items are
9 included, sums sufficient to satisfy the payments required to be made in each year by such
10 contract until all payments required under such contract have been paid in full.

11 (c) If for any reason a provision or appropriation pursuant to subsection (b) of this Code
12 section is not made, then the fiscal officers of such political subdivision are authorized and
13 directed to set up as an appropriation on their accounts in each fiscal year the amounts
14 required to pay the obligations called for under any such contract. The amount of an
15 appropriation made under this subsection in each fiscal year shall be due and payable and
16 shall be expended for the purpose of paying and meeting the obligations provided under
17 the terms and conditions of such contract; and such appropriation shall have the same legal
18 status as if the contracting political subdivision had included the amount of the
19 appropriation in its general revenue or appropriation measure. Such fiscal officers shall
20 make such payment to the authority if for any reason such appropriation is not otherwise
21 made.

22 (d) Any contract entered into pursuant to this Code section may provide for the purchase
23 of water from one or more projects or from a system and may provide for all of the water
24 requirements of the political subdivision's water system or for a portion of such
25 requirements or may provide for the purchase by the political subdivision of a specified
26 portion of the output or volume of a particular project.

27 (e) Any such contract may provide that the political subdivision is obligated to make
28 payments, whether or not a project is completed, operable, or operating; whether or not the
29 output, volume, capacity, or service of a project is suspended, interrupted, interfered with,
30 reduced, or curtailed; whether or not the water or services contracted for are furnished,
31 made available, or delivered; and regardless of the performance or nonperformance of the
32 authority or another political subdivision under the contract or any other instrument.

33 (f) Any such contract may provide that if another political subdivision or other person
34 defaults in the payment of its obligations, then the political subdivision that is party to such
35 contract is required to pay for, is entitled to, and may use or otherwise dispose of its
36 proportionate share of the output that was to be purchased by the defaulting political
37 subdivision or other person.

1 (g) Loans made to a political subdivision pursuant to this chapter shall be for use in the
2 water system of such political subdivision, and such loan shall be made and repaid, with
3 interest, on such terms as the authority and political subdivision shall agree.

4 (h) Any such contract may obligate the political subdivision to pay such amounts as the
5 authority may determine as necessary or desirable to establish reserves for rate stabilization
6 purposes.

7 50-36-14.

8 The political subdivisions with which the authority shall be authorized to contract to
9 provide a water supply pursuant to this chapter shall be those political subdivisions of this
10 state which own and operate, or intend to own and operate, a water distribution system.

11 50-36-15.

12 (a) When the authority desires to issue revenue bonds as permitted by this chapter, the
13 authority shall, prior to the adoption of a resolution authorizing the issuance of such bonds,
14 enter into one or more contracts with no less than five political subdivisions which are
15 authorized to contract with the authority in accordance with Code Section 50-36-14. All
16 such contracts shall be in accordance with Code Section 50-36-13.

17 (b) The acquisition, construction, reconstruction, improvement, equipping, alteration,
18 repair, or extension of any project, and the issuance, in anticipation of the collection of the
19 revenues from such project, of bonds to provide funds to pay the cost thereof, may be
20 authorized under this chapter by resolution of the authority. Unless otherwise provided
21 therein, such resolution shall take effect immediately and need not be laid over or published
22 or posted. The authority, in determining such cost, may include all costs and estimated
23 costs of the issuance of the bonds; all engineering, inspection, fiscal, and legal expenses;
24 the interest which it is estimated will accrue during the construction period and during such
25 additional period as the authority may determine on money borrowed, or which it is
26 estimated will be borrowed pursuant to this chapter; and all costs included in the definition
27 of 'cost of project' as defined in Code Section 50-36-1. Such bonds may also be issued to
28 pay off, refund, or refinance any outstanding bonds or other obligations of any nature owed
29 by the authority, whether or not such bonds or other obligations shall then be subject to
30 redemption; and the authority may provide for such arrangements as it may determine for
31 the payment and security of the bonds being issued or for the payment and security of the
32 bonds or other obligations to be paid off, refunded, or refinanced. Such bonds may also
33 be issued for the purpose of loaning the proceeds thereof to political subdivisions for use
34 in their water systems and to finance any other corporate purposes of the authority.

1 (c) Revenue bonds may be issued under this chapter in one or more series; may bear such
2 date or dates; may mature at such time or times, not exceeding 50 years from their
3 respective dates; may bear interest at such rate or rates, that may be fixed or may vary in
4 accordance with a specified formula or method of determination, payable at such time or
5 times; may be payable in such medium of payment at such place or places; may be in such
6 denomination or denominations; may be in such form, either coupon or fully registered
7 without coupons; may be issued in any specific amounts; may carry such registration,
8 conversion, and exchangeability privileges; may be declared or become due before the
9 maturity date thereof; may provide such call or redemption privileges; may have such rank
10 or priority; and may contain such other terms, covenants, assignments, and conditions as
11 the bond resolution authorizing the issuance of such bonds or any indenture or trust
12 agreement may provide. The authority may sell such bonds in such manner, at such price
13 or prices, and upon such terms and conditions as shall be determined by the authority. The
14 authority may arrange for insurance contracts, surety bonds, letters of credit, lines of credit,
15 commitments to purchase, or other liquidity or credit support mechanisms and may
16 remarket bonds to provide security to assure timely payment of bonds. The authority may
17 by resolution delegate to such officers, employees, or agents as the authority's members
18 may select the power to authorize the issuance and sale of bonds and fix, within limits
19 prescribed in the resolution, the time and manner of their sale, maturities, date or rates of
20 interest, and other terms and conditions the officer, employee, or agent considers
21 appropriate.

22 (d) The bonds shall be signed by the chairperson or other authorized officers of the
23 authority; the corporate seal of the authority shall be impressed, imprinted, or otherwise
24 reproduced on the bonds; and the bonds shall be attested by the signature of the
25 secretary-treasurer or assistant secretary-treasurer of the authority. The signatures of the
26 officers of the authority and the seal of the authority upon any bond, note, or other debt
27 security issued by the authority may be by facsimile if the instrument is authenticated or
28 countersigned by a trustee or other authenticating agent other than the authority itself or an
29 officer or employee of the authority. All bonds or notes issued under authority of this
30 chapter bearing signatures or facsimiles of the signatures of officers of the authority in
31 office on the date of the signing thereof shall be valid and binding, notwithstanding that
32 before the delivery thereof and payment therefor such officers whose signatures appear
33 thereon shall have ceased to be officers of the authority. Pending the preparation of the
34 definitive bonds, interim receipts, in such form and with such provisions as the authority
35 may determine, may be issued to the purchasers of bonds to be issued under this chapter.

36 (e) Any bond resolution authorizing the issuance of bonds and any indenture or trust
37 agreement entered into under this chapter to finance in whole or in part the acquisition,

1 construction, reconstruction, improvement, equipment, alteration, repair, or extension of
2 any project may contain covenants as to:

3 (1) The rates, fees, tolls, or charges to be charged for the services, facilities, and
4 commodities of the project or system;

5 (2) The use and disposition of the revenue to be derived from the project or system;

6 (3) The creation and maintenance of reserves or sinking funds and the regulation, use,
7 and disposition thereof, including debt service reserve; renewal and replacement or other
8 capital improvement reserve, including reserves for the provision of fuel; and such other
9 reserves as may be reasonably required by the authority for the operation of its projects
10 and as may be authorized by the bond resolution or trust agreement or indenture pursuant
11 to which the issuance of such bonds may be authorized;

12 (4) The purposes to which the proceeds of the sale of said bonds may be applied, and the
13 use and disposition of such proceeds;

14 (5) Events of default and the rights and liabilities arising thereupon, the terms and
15 conditions upon which bonds issued under this chapter shall become or may be declared
16 due before maturity, and the terms and conditions upon which such declaration and its
17 consequences may be waived;

18 (6) The issuance of other additional bonds or instruments payable from or a charge
19 against the revenue of such project or system;

20 (7) The insurance to be carried thereon and the use and disposition of insurance
21 proceeds;

22 (8) Books of account and inspection and audit thereof;

23 (9) Limitations or restrictions on the power to lease or otherwise dispose of the project
24 while any of the bonds or interest thereon remains outstanding and unpaid; and

25 (10) The operation and maintenance of the project or system, and of the authority.

26 (f) The provisions of this chapter and of any bond resolution, indenture, or trust agreement
27 entered into pursuant to this chapter shall be a contract with every holder of the bonds; and
28 the duties of the authority under this chapter and under any such bond resolution, indenture,
29 or trust agreement shall be enforceable by any bondholder by mandamus or other
30 appropriate action or proceeding at law or in equity.

31 (g) The authority shall give notice to the district attorney of the Clayton Judicial Circuit
32 of its intention to issue its revenue bonds, setting forth the fact of service of such notice,
33 the principal amount of bonds to be issued, the purpose for which the same are to be issued,
34 whether the bonds are to be issued in separate series or installments from time to time, the
35 interest rate or rates which such bonds are to bear, the amount of principal to be paid in
36 each year during the life of the bonds or the method or formula by which such amounts
37 shall be determined, the date by which all bonds are to be paid in full, and the security to

1 be pledged to the payment of the bond; provided, however, that such notice, in the
2 discretion of the authority, in lieu of specifying the rate or rates of interest which the bonds
3 are to bear, may state that the bonds when issued will bear interest at a rate not exceeding
4 a maximum per annum rate of interest specified in the notice or the maximum rate
5 permitted, at any time, by law, or, in the event the bonds, or any series or installment
6 thereof, are to bear different rates of interest for different maturity dates, may state that
7 none of such rates will exceed the maximum rate specified in the notice; provided, further,
8 that nothing in this subsection shall be construed as prohibiting or restricting the right of
9 the authority to sell the bonds at a discount, even if in so doing the effective interest cost
10 resulting therefrom would exceed the maximum per annum interest rate specified in the
11 notice to the district attorney. Such notice shall be signed by the chairperson, vice
12 chairperson, or secretary-treasurer.

13 (h) Within 20 days after the date of service of the required notice, the district attorney shall
14 prepare and file in the office of the clerk of the Superior Court of Clayton County a
15 complaint directed to the Superior Court of Clayton County in the name of the state and
16 against the authority, setting forth the fact of service of such notice, the amount of the
17 bonds to be issued, for what purpose they are to be issued, whether the bonds are to be
18 issued in separate series or installments from time to time, the interest rate or rates they are
19 to bear or the maximum rate or rates of interest, the amount of principal and interest to be
20 paid annually or the method or formula by which the amount of such payments shall be
21 determined, and the date by which all bonds are to be paid in full. In addition, the district
22 attorney shall obtain from the judge of the court an order requiring the authority by its
23 proper officers to appear at such time and place as the judge may direct, either during a
24 session of court or in chambers, within 20 days after the filing of the complaint, and show
25 cause, if any, why the bonds should not be confirmed and validated. Such complaint and
26 order shall be served upon the authority in the manner provided by law; and to such
27 complaint the authority shall make sworn answer at or before the date set in the order for
28 the hearing.

29 (i) Prior to the hearing of the cause, the clerk of the Superior Court of Clayton County
30 shall publish in the official organ of Clayton County once during each of the two weeks
31 immediately preceding the week in which the hearing is to be held a notice to the public
32 that, on the day specified in the order providing for the hearing of the cause, the same will
33 be heard.

34 (j) Within the time prescribed in the order or at such other time as he or she may fix, the
35 judge of the superior court shall proceed to hear and determine all questions of law and of
36 fact in the cause, including the question of whether the contractual obligations which are
37 made a condition precedent to the issuance of such bonds by subsection (a) of this Code

1 section have been properly incurred; and the judge shall render judgment on the cause.
 2 Any citizen of this state may become a party to the proceedings at or before the time set for
 3 the hearing. Any party who is dissatisfied with the judgment of the court confirming and
 4 validating the issuance of the bonds and the security therefor or refusing to confirm and
 5 validate the issuance of the bonds and the security therefor may appeal from the judgment
 6 under the procedure provided by Article 2 of Chapter 6 of Title 5. No appeal may be taken
 7 by any person who was not a party at the time the judgment appealed from was rendered.

8 (k) In the event no appeal is filed within 30 days after the date of the judgment of
 9 validation, or, if an appeal is filed, in the event the judgment is affirmed on appeal, the
 10 judgment of the superior court so confirming and validating the issuance of the bonds and
 11 the security therefor shall be forever conclusive upon the validity of the bonds and the
 12 security therefor.

13 (l) Bonds issued under this chapter shall bear a certificate of validation signed with the
 14 facsimile or manually executed signature of the clerk of the Superior Court of Clayton
 15 County stating the date on which the bonds were validated as provided in this Code section;
 16 and such entry shall be original evidence of the fact of judgment and shall be received as
 17 original evidence in any court in this state.

18 (m) The authority shall reimburse the district attorney for his or her actual costs of the
 19 case, if any. For every \$5,000.00 in principal amount of bonds or portion thereof, there
 20 shall be payable to the clerk of the Superior Court of Clayton County the following fees for
 21 validation and confirmation:

22	First \$500,000.00	\$ 1.00
23	\$501,000.00 - \$2,500,000.0025
24	All over \$2,500,000.0010

25 (n) Any other law to the contrary notwithstanding, this chapter shall govern all civil
 26 claims, proceedings, and actions respecting debt of the authority evidenced by revenue
 27 bonds.

28 (o) Nothing in this chapter shall prohibit the authority from issuing bonds, the interest on
 29 which is includable in gross income of the owners thereof for federal income tax purposes.

30 50-36-16.

31 (a) When payments which are made by political subdivisions pursuant to contracts entered
 32 into under subsection (a) of Code Section 50-36-19 are pledged as security for the payment
 33 of bonds sought to be validated, the petition for validation shall make party defendant the
 34 authority and shall also make parties defendant to such action every political subdivision
 35 which has contracted with the authority for the use of the facilities, commodities, and
 36 services of the project, if any, for which bonds shall be sought to be validated and issued.
 37 In addition, where the bonds are to be issued to finance a project, every other party,

1 whether public or private, contracting with the authority in any manner with relation to the
2 operation of such project, and particularly with relation to any common ownership of such
3 project or to the supplying of water to the authority or the taking or purchasing of water
4 from the project, shall be made parties defendant.

5 (b) All such parties defendant shall be served and shall be required to show cause, if any
6 exists, why such contracts and the terms and conditions thereof should not be inquired into
7 by the court and the validity of the terms thereof determined and the matters and conditions
8 imposed on the parties to such contracts and all such undertakings thereof adjudicated to
9 be valid and binding on the parties thereto.

10 (c) Notice of such proceedings shall be included in the notice of validation hearing
11 required by subsection (i) of Code Section 50-36-15 to be issued and published by the clerk
12 of the Superior Court of Clayton County. In addition to such notice required to be
13 published in Clayton County, such notice shall also be published in a newspaper or
14 newspapers of general circulation in the State of Georgia, once a week during each of the
15 two weeks immediately preceding the week of the hearing.

16 (d) Any citizen resident of this state may, at or before the time set for the validation
17 hearing, intervene in the validation proceedings conducted in the Superior Court of Clayton
18 County pursuant to Code Section 50-36-15 and may assert any ground or objection to the
19 validity and binding effect of such contract on his or her own behalf and on behalf of any
20 political subdivision and of all citizens, residents, and property owners of the state.

21 (e) No appeal may be taken by any person who was not a party at the time the judgment
22 appealed from was rendered.

23 (f) An adjudication as to the validity of any such contract which adjudication is unexcepted
24 to within 30 days after the date of the judgment of validation or, if an appeal is filed, which
25 adjudication is confirmed on appeal shall be forever conclusive and binding upon such
26 political subdivisions and the resident citizens and property owners of this state.

27 50-36-17.

28 In all cases where the authority has adopted a resolution for the issuance of revenue bonds,
29 and where notice has been duly served upon the district attorney for the purpose of securing
30 a judicial validation of such bonds and the security therefor, and where, in such case, there
31 has been a failure on the part of such district attorney or other officer to proceed within the
32 time prescribed by this chapter, it shall be competent for the authority to represent such
33 facts in writing to the court and to represent further that such failure has been without fault
34 on the part of the authority. In such case, the Superior Court of Clayton County shall have
35 power and authority to inquire into the facts; and, upon being satisfied that such failure has
36 not arisen from any fault or neglect on the part of the authority, it shall be the duty of the

1 court to pass an order directing such district attorney to proceed within ten days to file a
 2 complaint as authorized by this chapter. Thereafter, the proceedings shall be held in the
 3 same manner as would have been followed had such petition been duly and promptly filed
 4 in the first instance.

5 50-36-18.

6 The bonds authorized by this chapter shall be securities in which:

7 (1) All public officers and bodies of this state;

8 (2) All political subdivisions of this state;

9 (3) All insurance companies and associations, and other persons carrying on an insurance
 10 business;

11 (4) All banks, bankers, trust companies, savings banks, and savings associations,
 12 including savings and loan associations, building and loan associations, investment
 13 companies, and other persons carrying on a banking business;

14 (5) All administrators, guardians, executors, trustees, and other fiduciaries; and

15 (6) All other persons whatsoever who are authorized to invest in bonds or other
 16 obligations of the state

17 may properly and legally invest funds, including capital in their control or belonging to
 18 them. Such bonds shall also be securities which may be deposited with and shall be
 19 received by all public officers and bodies of this state and its political subdivisions for any
 20 purpose for which deposit of the bonds or other obligations of this state is authorized.

21 50-36-19.

22 (a) All or any part of the gross or net revenues and earnings derived from any particular
 23 project or system and any and all revenues and earnings received by the authority,
 24 regardless of whether such revenues and earnings were produced by a particular project for
 25 which bonds have been issued, may be pledged by the authority to the payment of the
 26 principal of and interest on revenue bonds of the authority as may be provided in any
 27 resolution authorizing the issuance of such bonds or in any trust instrument pertaining to
 28 such bonds.

29 (b) Such funds so pledged, from whatever source received, may include funds received
 30 from one or more or all sources and may be set aside at regular intervals into sinking funds
 31 for which provision may be made in any such resolution or trust instrument, which sinking
 32 funds may be pledged to and charged with the payment of:

33 (1) The interest upon such revenue bonds as such interest shall become due;

34 (2) The principal of the bonds as the same shall mature;

35 (3) The necessary charges of any trustee, paying agent, or registrar for such bonds; and

1 (4) Any premium upon bonds retired upon call or purchase.

2 (c) The use and disposition of any sinking fund may be subject to regulations for which
3 provision may be made in the resolution authorizing the issuance of the bonds or in the
4 trust instrument or indenture securing the payment of the same.

5 50-36-20.

6 (a) In the discretion of the authority, any issue of revenue bonds may be secured by a trust
7 agreement or indenture made by the authority with a corporate trustee, which may be any
8 trust company or bank having the powers of a trust company inside or outside this state.
9 Such trust agreement or indenture may pledge or assign any or all revenue, receipts, and
10 earnings to be received by the authority and any proceeds which may be derived from the
11 disposition of any real or personal property of the authority or proceeds of insurance
12 carried thereon.

13 (b) The resolution providing for the issuance of revenue bonds and such trust agreement
14 or indenture may contain provisions for protecting and enforcing the rights and remedies
15 of the bond owners, including the right of appointment of a receiver upon default in the
16 payment of any principal or interest obligation and the right of any receiver or trustee to
17 enforce collection of any rates, fees, tolls, charges, or revenues for the use of the services
18 or facilities of the project or system necessary to pay all costs of operation and all reserves
19 provided for, the principal of and interest on all bonds in the issue, all costs of collection,
20 and all other costs reasonably necessary to accomplish the collection of such sums in the
21 event of any default of the authority.

22 (c) Such resolution, trust agreement, or indenture may include covenants setting forth the
23 duties of the authority regarding the acquisition of property for and the construction of the
24 project and regarding the custody, safeguarding, and application of all funds of the
25 authority, including any proceeds derived from the disposition of any real or personal
26 property of the authority or proceeds of insurance carried thereon. In addition, such
27 resolution, trust agreement, or indenture may include covenants providing for the
28 operation, maintenance, repair, and insurance of the project and may contain provisions
29 concerning the conditions, if any, upon which additional bonds may be issued.

30 (d) Such resolution, trust agreement, or indenture may set forth the rights and remedies of
31 the bond owners and of the trustee; may restrict the individual right of action of any bond
32 owner in such manner as is customary in securing bonds and debentures of corporations;
33 and may contain such other provisions as the authority may deem reasonable and proper
34 for the security of the bond owners.

1 (e) All expenses incurred in carrying out any trust agreement or indenture under this Code
 2 section may be treated as a part of the cost of maintenance, operation, and repair of the
 3 project affected by such trust agreement or indenture.

4 50-36-21.

5 (a) Proceeds of the bonds issued under authority of this chapter shall be used solely for the
 6 purpose of financing corporate purposes of the authority, including the payment of the cost
 7 of projects and the loaning of proceeds to political subdivisions, and shall be disbursed
 8 upon requisition or order of such person and under such restrictions as the resolution
 9 authorizing the issuance of such bonds or the trust agreement or indenture may provide.

10 (b) If the proceeds of such bonds, including all series or installments of such issue, by error
 11 of calculation or otherwise, are less than the cost of projects or the cost of other purposes
 12 financed thereby, then, unless otherwise provided in the resolution authorizing the issuance
 13 of the bonds or in the trust agreement or indenture, additional bonds may in like manner
 14 be issued, subject to the requirements of subsection (a) of Code Section 50-36-21 to
 15 provide the amount of such deficit. Unless otherwise provided in the resolution authorizing
 16 the issuance of the bonds or in the trust agreement or indenture, such additional bonds shall
 17 be deemed to be of the same issue and shall be entitled to payment from the same fund,
 18 without preference or priority, as the bonds first issued for the same purpose.

19 (c) If the proceeds of the bonds of any issue exceed the amount required for the purpose
 20 for which such bonds are issued, the surplus shall be paid into the fund provided for the
 21 payment of principal and interest of such bonds.

22 (d) In the discretion of the authority, revenue bonds of a single issue or series or
 23 installment of such issue may be issued for the purpose of paying the cost of any one or
 24 more projects.

25 50-36-22.

26 (a) If any bond becomes mutilated or is lost, stolen, or destroyed, the authority may
 27 execute and deliver, and the trustee may authenticate, a new bond of like date of issue,
 28 maturity date, principal amount, and interest rate per annum as the bond so mutilated, lost,
 29 stolen, or destroyed; which new bond shall have the same provisions in all respects as those
 30 on the bond mutilated, lost, stolen, or destroyed, provided that:

31 (1) In the case of any mutilated bond, such bond is first surrendered to the authority or
 32 to the trustee;

33 (2) In the case of any lost, stolen, or destroyed bond, there is first furnished evidence of
 34 such loss, theft, or destruction satisfactory to the authority and the trustee, together with
 35 indemnity satisfactory to the authority and the trustee;

1 (3) All other reasonable requirements of the authority and the trustee are complied with;
2 and

3 (4) Expenses in connection with such transaction are paid.

4 (b) Any bonds surrendered for exchange shall be canceled.

5 (c) The authority shall be authorized to print the new bond with the validation certificate
6 bearing the facsimile signature of the clerk of the superior court then in office, and such
7 certificate shall have the same force and effect as in the first instance. All responsibility
8 with respect to the issuance of any such new bonds shall be with the authority and not with
9 such clerk; and such clerk shall have no liability in the event an overissuance occurs.

10 50-36-23.

11 Interest shall cease to accrue on any bond on the date that such bond becomes due for
12 payment if said payment is made or duly provided for, but liability for such bond and for
13 the accrued interest thereon shall continue until such bond is 20 years overdue for payment.
14 At that time, unless demand for payment has been made, such obligation shall be
15 extinguished and shall be deemed no longer outstanding.

16 50-36-24.

17 Unless otherwise directed by the authority, every evidence of indebtedness and interest
18 coupon paid or otherwise retired shall forthwith be marked 'canceled' and shall be delivered
19 by the paying agent making payment thereof to the authority, whereupon the evidence of
20 indebtedness or the interest coupon shall be destroyed and a certificate of destruction shall
21 be filed in the records of the authority.

22 50-36-25.

23 The fiscal officer of the authority or his or her agent shall maintain records containing a full
24 and correct description of each evidence of indebtedness issued, identifying it and showing
25 its date, issue, amount, interest rate, payment dates, payments made, registration,
26 cancellation, destruction, and every other relevant transaction.

27 50-36-26.

28 The authority may appoint one or more paying agents for each issue or series or installment
29 of bonds. Every such paying agent shall be an incorporated bank or trust company
30 authorized by the laws of the United States or of the state in which it is located to do a
31 banking or trust business. The authority may make such provisions respecting paying
32 agents as it deems necessary or useful and may enter into a contract with any paying agents

1 containing such terms, including its compensation, and such conditions in regard to the
2 paying agents as the authority deems necessary or useful.

3 50-36-27.

4 (a) The authority shall have the power and is authorized, whenever revenue bonds of the
5 authority have been validated as provided in Code Section 50-36-21, to issue from time to
6 time its negotiable notes in anticipation of the issuance of such bonds as validated and to
7 renew from time to time any such notes by the issuance of new notes, regardless of whether
8 the notes to be renewed have matured. The authority may issue notes only to provide funds
9 which would otherwise be provided by the issuance of the bonds as validated. The notes
10 may be authorized, sold, executed, and delivered in the same manner as bonds.

11 (b) Any resolution authorizing notes of the authority or any issue thereof may contain any
12 provisions which the authority is authorized to include in any resolution authorizing bonds
13 of the authority or any issue thereof; and the authority may include in any notes any terms,
14 covenants, or conditions which it is authorized to include in any bonds.

15 (c) All notes shall be general obligations of the authority, payable out of any of its funds
16 or revenues, subject only to any contractual rights of the holders of any of its notes or other
17 obligations then outstanding, provided that there may be specially pledged to the payment
18 of such notes the proceeds to be derived from the issuance of the validated bonds in
19 anticipation of the issuance of which the notes have been issued.

20 (d) Validation of such bonds shall be a condition precedent to the issuance of such notes,
21 but it shall not be required that such notes be judicially validated.

22 (e) Bond anticipation notes shall not be issued in an amount exceeding the par value of the
23 bonds in anticipation of which they are to be issued.

24 50-36-28.

25 Notwithstanding any other law to the contrary, every evidence of indebtedness issued under
26 this chapter shall have all the rights and incidences of negotiable instruments, subject to
27 provisions for registration.

28 50-36-29.

29 (a) Neither the members of the authority nor any person executing bonds or notes on
30 behalf of the authority shall be personally liable thereon by reason of the issuance thereof.

31 (b) Neither the revenue bonds or notes issued under this chapter nor the instruments
32 evidencing the obligations which constitute the security therefor shall constitute a debt of,
33 a loan by, or a pledge of the faith and credit of the State of Georgia or of any political
34 subdivision thereof. Rather, such bonds and notes shall be payable from the revenues of

1 the authority as provided in the resolutions, trust agreements, or indentures authorizing or
2 securing the issuance and payment of such bonds or notes. The issuance of such bonds or
3 notes shall not obligate the state or any political subdivision thereof to levy or pledge any
4 form of taxation whatever for the payment thereof. No owner of any such bond or note,
5 and no receiver or trustee in connection therewith, shall have the right to enforce the
6 payment of the bond or note against any property of the state or of any political subdivision
7 thereof; nor shall any such bond or note constitute a charge, lien, or encumbrance, whether
8 legal or equitable, upon any such property.

9 (c) All such bonds and notes shall contain on their face a recital setting forth the complete
10 immunity of the state and any political subdivisions from liability thereon, which recital
11 shall contain substantially the foregoing provisions of this Code section.

12 50-36-30.

13 While any of the bonds or notes issued by the authority remain outstanding, the powers,
14 duties, or existence of the authority or of its officers, employees, or agents shall not be
15 diminished, impaired, or affected in any manner which will affect adversely the interest and
16 rights of the owners of such bonds or notes; and no other authority, instrumentality, or body
17 will be created or empowered to compete with the authority so as to affect adversely the
18 interests and rights of the owners of such bonds or notes; nor will the state itself so compete
19 with the authority. This chapter shall be for the benefit of the state, the authority, and every
20 owner of the authority's bonds and notes and, upon and after the issuance of bonds or notes
21 under this chapter, shall constitute an irrevocable contract by the state with the owners of
22 such bonds and notes.

23 50-36-31.

24 (a) If the authority defaults on the payment of the principal or interest on any of the
25 revenue bonds after the same become due, whether at maturity or upon call for redemption,
26 and such default continues for a period of 30 days, or if the authority or its officers, agents,
27 or employees fail or refuse to comply with the essential provisions of this chapter or default
28 in any material respect on any agreement made with the holders of the revenue bonds, any
29 holders of revenue bonds or a trustee therefor shall have the right to apply in an appropriate
30 judicial proceeding to the Superior Court of Clayton County for the appointment of a
31 receiver of the undertaking, regardless of whether all revenue bonds have been declared
32 due and payable, and regardless of whether such holder or trustee therefor is seeking or has
33 sought to enforce any other right or exercise any remedy in connection with such revenue
34 bonds. Upon such application, the court, if it deems such action necessary for the
35 protection of the bondholders, may appoint a receiver for the undertaking, provided that

1 such appointment shall be mandatory if the application is made by the holders of 25 percent
2 in principal amount of such revenue bonds then outstanding, or by any trustee for holders
3 of such revenue bonds in such principal amount.

4 (b) A receiver appointed pursuant to subsection (a) of this Code section shall forthwith,
5 directly or by his or her agents and attorneys, enter into and upon and take possession of
6 the project or of such portion thereof or interest therein as is owned by the authority. If the
7 court so directs, the receiver may wholly exclude from the project the authority, its officers,
8 agents, and employees, and all persons claiming under them. Upon taking possession of
9 the project, the receiver shall have, hold, use, operate, manage, and control the same and
10 each and every part thereof and, in the name of the authority or otherwise, as the receiver
11 may deem best, shall exercise all of the rights and powers of the authority with respect to
12 the undertaking as the authority itself might do. The receiver shall maintain, restore,
13 insure, and keep insured the project or such portion or interest therein as is owned by the
14 authority; from time to time shall make all such necessary or proper repairs as the receiver
15 may deem expedient; shall establish and maintain rates and collect such fees, tolls, and
16 other charges in connection with the project as the receiver may deem necessary or proper
17 and reasonable; and shall collect and receive all revenues, shall deposit the same in a
18 separate account, and shall apply such revenues so collected and received in such manner
19 as the court shall direct, provided that the duties of the receiver as described in this
20 subsection shall be performed in a manner consistent with any and all existing contractual
21 arrangements to which the authority may be a party; and the powers of the receiver shall
22 be no greater than the powers of the authority.

23 (c) Whenever all amounts due upon the revenue bonds and interest thereon have been
24 cured and made good; and whenever a similar cure and making good has been effected in
25 regard to any other notes, bonds, or other obligations, and interest thereon, which constitute
26 a charge, lien, or encumbrance on the revenues of the project under any of the terms of any
27 covenants or agreements with holders of revenue bonds; then, if it appears to the court that
28 no default is imminent, the court shall direct the receiver to surrender possession of the
29 project to the authority, provided that the same right of the holders of the revenue bonds
30 to secure the appointment of a receiver as is provided in subsection (a) of this Code section
31 shall exist upon any subsequent default.

32 (d) A receiver shall, in the performance of the powers conferred upon him or her by this
33 Code section, act under the direction and supervision of the court making such
34 appointment, shall at all times be subject to the orders and decrees of such court, and may
35 be removed thereby. Nothing contained in this Code section shall limit or restrict the
36 jurisdiction of such court to enter such other and further orders and decrees as the court

1 may deem necessary or appropriate for the exercise by the receiver of any functions
2 specifically set forth in this Code section.

3 50-36-32.

4 (a) For the purpose of earning sufficient revenue to make possible the financing with
5 revenue bonds of the construction of the projects of the authority or the accomplishment
6 of its corporate purposes, the authority is authorized to fix and revise rates and collect fees,
7 tolls, and charges on each project which it causes to be acquired or constructed or on the
8 systems. Such rates, fees, tolls, and charges to be paid for the use of the facilities or
9 services of such projects or systems shall be so fixed and adjusted from time to time as to
10 provide a fund which, together with other revenue, if any, of such projects or of the
11 authority, will be sufficient:

12 (1) To pay:

13 (A) The costs of operating, maintaining, repairing, and disposing of the projects,
14 including reserves for insurance and extraordinary repairs, reserves required by the
15 resolution, or other reasonable reserves established by the authority trust agreement, or
16 indenture pertaining to such bonds and the issuance thereof, unless such costs shall be
17 otherwise provided for;

18 (B) The costs of operating and conducting the business of the authority, including
19 salaries; fees for professional services, including legal, engineering, and others; and all
20 expenses properly relating to the conduct of the affairs of the authority;

21 (C) The costs of water, whether produced by the authority or acquired from others; and

22 (D) All other costs associated with the operation and maintenance of the authority and
23 its projects and facilities;

24 (2) To pay the principal of and interest on such revenue bonds as the same become due,
25 including all premiums, if any, the proceeds of which shall have been or will be used to
26 pay the cost of such projects, which cost shall include all elements of cost authorized by
27 this chapter, including acquisition of property, whether real or personal, and any interest
28 in property; clearing and preparing land for the purposes of this chapter; architectural,
29 engineering, financial, and legal services; construction of projects authorized by this
30 chapter; administrative expenses; funds for initiating the operation of the project; and
31 interest prior to and during construction and during such period of time thereafter as may
32 be determined by the authority;

33 (3) To comply with any sinking fund requirements contained in the resolution, trust
34 agreement, or indenture pertaining to the issuance of and security for such bonds;

1 (4) To perform fully all provisions of such resolution, trust agreement, or indenture
2 relating to the issuance of or security for such bonds to the payment of which such
3 revenue is pledged;

4 (5) To accumulate any excess income which may be required by the purchasers of such
5 bonds or may be dictated by the requirements of such resolution, trust agreement, or
6 indenture or by the requirements of achieving ready marketability of and low interest
7 rates on such bonds; and

8 (6) To pay expenses in connection with such bond issue or such projects, including, but
9 not limited to, trustees and fiscal fees.

10 (b) The rates, fees, tolls, and charges authorized by subsection (a) of this Code section
11 shall be payable at such intervals as may be agreed upon and set forth in the contract
12 providing therefor. Any such contract may provide for the commencement of payments,
13 not necessarily based directly on rates, to the authority prior to the completion of the
14 undertaking by the authority of any such project and may require payments for the
15 establishment of reserves for rate stabilization purposes; may provide for the making of
16 payments during such times as such projects may be partially or wholly not in use, whether
17 or not any such project has been completed, is then operable, or is operating; and may
18 provide that such payments shall not be subject to any reduction, by offset or otherwise,
19 and shall not be conditioned upon the performance or nonperformance by any party of any
20 agreement.

21 (c) Such contract may obligate the political subdivision to indemnify and save harmless
22 the authority from any and all damage to persons and property occurring on or by reason
23 of the project, and may also obligate the political subdivision to undertake, at the expense
24 of the political subdivision, the defense of any action brought against the authority by
25 reason of injury or damages to persons or property occurring on or by reason of the project.

26 (d) In the event of any failure or refusal on the part of the political subdivision to perform
27 punctually any covenant or obligation contained in any such contract, the authority may
28 enforce performance by any legal or equitable process, including specific performance.

29 (e) Any payments due or to become due to the authority pursuant to any such contract may
30 be assigned by the authority to a trustee or paying agent as may be required by the terms
31 of the resolution, trust agreement, or indenture relating to the issuance of and security for
32 such bonds.

33 (f) The use and disposition of the authority's revenue shall be subject to the provisions of
34 the resolution authorizing the issuance of such bonds or of the trust agreement or indenture,
35 if any, securing the same.

1 50-36-33.

2 All funds received pursuant to authority of this chapter, whether as proceeds from the sale
3 of revenue bonds or as revenues, fees, tolls, charges, or other earnings or as gifts, grants,
4 or other contributions, shall be deemed to be trust funds to be held and applied solely as
5 provided in this chapter. The bond owners entitled to receive the benefits of such funds
6 shall have a lien on all such funds until applied as provided in any such resolution, trust
7 agreement, or indenture of the authority.

8 50-36-34.

9 The authority, together with all funds established in connection with its debt, shall be
10 audited no less frequently than annually by an independent certified public accountant to
11 be selected by the authority. Copies of such audit shall be available upon request to
12 interested parties, including, but without limitation, the holders of the authority's bonds and
13 all parties contracting with the authority.

14 50-36-35.

15 (a) Except as provided in subsection (b) of this Code section, any action to protect or
16 enforce any rights under this chapter brought in the courts of this state shall be brought in
17 the superior court of the county in which the principal office of the authority is located.

18 (b) Any action pertaining to validation of the bonds issued under this chapter and
19 pertaining to validation of the contracts constituting security for bonds shall be brought in
20 the Superior Court of Clayton County. That court shall have exclusive original jurisdiction
21 of any such action.

22 50-36-36.

23 (a) The rates, services, and practices relating to the manufacture, development, storage,
24 production, transmission, and sale by the authority of water as authorized by this chapter
25 shall not be subject to the provisions of the Public Service Commission law nor to
26 regulation.

27 (b) The provisions of this chapter do not, and are not intended to, increase or diminish the
28 authority and jurisdiction of the Public Service Commission with respect to the distribution,
29 sale, or transmission of water by any county, municipal corporation, or other political
30 subdivision of this state.

31 50-36-37.

32 Meetings of the authority shall be subject to Chapter 14 of Title 50. All records of the
33 authority shall be subject to Chapter 4 of Chapter 18 of Title 50.

1 50-36-38.

2 The provisions of this chapter shall be regarded as supplementary and additional to and
3 cumulative of powers conferred by other laws and shall not be regarded as being in
4 derogation of any powers conferred by any other law.

5 50-36-39.

6 This chapter, being for the welfare of the state and its inhabitants, shall be liberally
7 construed to effect the purposes hereof."

8 **SECTION 3.**

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