

House Bill 612 (AS PASSED HOUSE AND SENATE)

By: Representative Austin of the 10th

A BILL TO BE ENTITLED
AN ACT

1 To create the City of Cornelia Water and Sewerage Authority; to authorize the authority to
2 acquire, construct, add to, extend, improve, equip, repair, operate, and maintain projects
3 embracing sources of water supply, reservoirs, small watershed projects, works of
4 improvements for watersheds, projects for watershed protection and flood control and
5 prevention, recreational facilities developed in connection therewith, the distribution and
6 sale of water and related facilities to individuals, private concerns, municipal corporations,
7 and the State of Georgia and its political subdivisions and instrumentalities thereof; to
8 authorize the authority to acquire, construct, add to, extend, improve, equip, repair, operate,
9 and maintain sewerage systems, both sanitary and storm, sewage disposal and sewage
10 treatment plants, and any and all other related facilities; to confer powers and to impose
11 duties on the authority; to provide for the members of the authority and their term of tenure
12 and compensation; to authorize the authority to contract with others pertaining to the use of
13 the utilities and facilities of the authority and to execute leases and do all things deemed
14 necessary or convenient for the operation of such undertakings or projects; to authorize the
15 issuance of revenue bonds or obligations of the authority, payable from the revenues, tolls,
16 fees, charges, and earnings of the authority and to pay the cost of such undertakings or
17 projects and to authorize the collection and pledging of the revenues and earnings of the
18 authority for the payment of such bonds or obligations and to authorize the execution of
19 resolutions and trust indentures to secure the payment thereof and to define the rights of the
20 holders of such bonds or obligations; to provide that no debt of the City of Cornelia shall be
21 incurred in the exercise of any of the powers granted by this Act; to make the bonds or
22 obligations of the authority exempt from taxation; to provide for the authority to condemn
23 property of every kind; to authorize the issuance of refunding bonds or obligations; to fix the
24 venue or jurisdiction of actions relating to any provisions of this Act and to provide that such
25 bonds or obligations be validated as authorized by Article 3 of Chapter 82 of Title 36 of the
26 O.C.G.A., the "Revenue Bond Law"; to provide for liberal construction; to provide for
27 severability; to repeal conflicting laws; and for other purposes.

28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

29 **SECTION 1.**

30 Short title.

31 This Act shall be known and may be cited as the "City of Cornelia Water and Sewerage
32 Authority Act."

33 **SECTION 2.**

34 City of Cornelia Water and Sewerage Authority.

35 (a) There is created a body corporate and politic to be known as the "City of Cornelia Water
36 and Sewerage Authority," which shall be deemed to be a political subdivision of the State
37 of Georgia and a public corporation by that name, style, and title and said body may contract
38 and be contracted with, sue and be sued, implead and be impleaded, and complain and defend
39 in all courts of law and equity, except that the authority or the trustee acting under the trust
40 indenture shall in no event be liable for any torts committed by any of the officers, agents,
41 or employees of the authority. The authority is granted the same exemptions and exclusions
42 from taxes as are now granted to cities and counties for the operation of facilities similar to
43 facilities to be operated by the authority as provided under the provisions of this Act. The
44 authority shall have perpetual existence.

45 (b) The authority shall consist of five members: the mayor of the City of Cornelia, two
46 commissioners of the City of Cornelia appointed by the mayor and city commission, the city
47 manager of the City of Cornelia, and one additional member appointed by the mayor and
48 commission of the city. With respect to the members of the authority who serve by virtue
49 of their offices or positions with the city, the terms of their office as members of the authority
50 shall be concurrent with their respective offices or positions with the city. In addition with
51 respect to the terms of the members of the authority appointed by the mayor and commission
52 of the city, the term of such members shall be for two years. The member who is appointed
53 by the mayor and commission and who is not a commissioner of the city shall be a resident
54 of the City of Cornelia. Any member of the authority may be selected and appointed to
55 succeed himself or herself.

56 (c) The mayor and commission of the City of Cornelia may provide by resolution for
57 compensation for the services of the members of the authority in such amounts as they may
58 deem appropriate; provided, however, that such members shall be in any event reimbursed
59 for their actual expenses necessarily incurred in the performance of their duties.

- 60 (d) The members of the authority shall elect one of their number as chairperson and another
 61 as vice chairperson. The members of the authority shall also elect a secretary, who need not
 62 be a member of the authority, and may also elect a treasurer, who need not be a member of
 63 the authority. The secretary may also serve as treasurer. If the secretary or treasurer are not
 64 members of the authority, such officer shall have no voting rights. Each of such officers
 65 shall serve for a period of one year and until their successors are duly elected and qualified.
- 66 (e) A majority of the members of the authority shall constitute a quorum and, except as
 67 provided in this subsection, any action may be taken by the authority upon the affirmative
 68 vote of a majority of a quorum of the members. No vacancy on the authority shall impair the
 69 right of the quorum to exercise all the rights and perform all the duties of the authority. A
 70 majority vote of the total membership of the authority shall be required for the authority to
 71 create any debt or issue any negotiable revenue bonds.
- 72 (f) The authority shall be subject to all of the provisions of Chapters 14 and 18 of Title 50
 73 of the O.C.G.A., the open meetings and open records laws of the State of Georgia.

74 SECTION 3.

75 Definitions.

76 As used in this Act, the term:

- 77 (1) "Authority" or "water and sewerage authority" means the City of Cornelia Water and
 78 Sewerage Authority created in Section 2 of this Act.
- 79 (2) "Cost of the project" shall embrace the cost of construction, the cost of all lands,
 80 properties, rights, easements, and franchises acquired; the cost of all machinery and
 81 equipment, financing charges, interest prior to and during construction and for one year
 82 after completion of construction; cost of engineering, architectural, fiscal, and legal
 83 expenses and of plans and specifications, and other expenses necessary or incident to
 84 determining the feasibility or practicability of the project; administrative expenses, and
 85 such other expenses as may be necessary or incident to the financing authorized by this
 86 Act; the construction of any project; the placing of the same in operation; and the
 87 condemnation of property necessary for such construction and operation. Any obligation
 88 or expense incurred for any of the foregoing purposes shall be regarded as a part of cost
 89 of the project and may be paid or reimbursed as such out of the proceeds of revenue
 90 bonds issued under the provisions of this Act for such project.
- 91 (3) "Project" means and includes the acquisition, construction, and equipping of water
 92 facilities for obtaining one or more sources of water supply, reservoirs, small watershed
 93 projects, works of improvements for watersheds, projects for watershed protection and
 94 flood control and prevention, recreational facilities developed in connection therewith,

95 the treatment of water, and the distribution and sale of water to users and consumers,
 96 including, but not limited to, the State of Georgia and counties and municipalities for the
 97 purpose of resale inside and outside the territorial boundaries of the City of Cornelia, and
 98 additions to, improvements to, extensions of, and the operation and maintenance of same
 99 so as to assure an adequate water system, watershed protection and improvement, and
 100 flood control and prevention; the acquisition, construction, and equipping of sewerage
 101 facilities useful and necessary for the gathering of waste matter, and the treatment of
 102 sewage of any and every type, including, but not limited to, the acquisition and
 103 construction of treatment plants, ponds, and lagoons inside and outside the territorial
 104 boundaries of the City of Cornelia, and additions and improvements to and extensions of
 105 such facilities and the operation and maintenance of same so as to assure an adequate
 106 sewerage system. Said water facilities, small watershed projects, projects for watershed
 107 protection and flood control and prevention, recreational facilities developed in
 108 connection therewith, and sewerage facilities, at the discretion of the authority, may be
 109 combined at any time as one revenue-producing undertaking and operated and maintained
 110 as such.

111 (4) "Revenue bonds," "bonds," or "obligations" as used in this Act shall mean revenue
 112 bonds as defined and provided for in Article 3 of Chapter 82 of Title 36 of the O.C.G.A.,
 113 the "Revenue Bond Law," and such type of obligations may be issued by the authority
 114 as authorized under the "Revenue Bond Law" and any amendments thereto and, in
 115 addition, shall also mean obligations of the authority the issuance of which are
 116 specifically provided for in this Act.

117 (5) "Self-liquidating" means any project for which, in the judgment of the authority, the
 118 revenues and earnings to be derived by the authority therefrom and all facilities used in
 119 connection therewith will be sufficient to pay the cost of operating, maintaining,
 120 repairing, improving, and extending the project and to pay the principal of and interest
 121 on the revenue bonds which may be issued to finance, in whole or in part, the cost of such
 122 project or projects.

123 **SECTION 4.**

124 Powers.

125 The authority shall have the following powers:

- 126 (1) To have a seal and alter the same at pleasure;
- 127 (2) To acquire by purchase, lease, gift, condemnation or otherwise, and to hold, operate,
 128 maintain, lease, and dispose of real and personal property of every kind and character for
 129 its corporate purposes;

130 (3) To acquire in its own name by purchase, on such terms and conditions and in such
131 manner as it may deem proper, or by condemnation in accordance with the provisions of
132 any and all existing laws applicable to the condemnation of property for public use, real
133 property, or rights or easements therein or franchises necessary or convenient for its
134 corporate purposes, and to use the same so long as its corporate existence shall continue
135 and to lease or make contracts with respect to the use of or to dispose of the same in any
136 manner it deems to the best advantage of the authority, the authority being under no
137 obligation to accept and pay for any property condemned under this Act except from the
138 funds provided under the authority of this Act, and in any proceedings to condemn, such
139 orders may be made by the court having jurisdiction of the suit, action, or proceedings
140 as may be just to the authority and to the owners of the property to be condemned, and
141 no property shall be acquired under the provisions of this Act upon which any lien or
142 other encumbrance exists, unless at the time such property is so acquired a sufficient sum
143 of money is deposited in trust to pay and redeem the fair value of such lien or
144 encumbrance; and if the authority shall deem it expedient to construct any project on any
145 lands the title to which shall then be in the State of Georgia, the Governor is authorized
146 to convey, for and in behalf of the state, title to such lands to the authority upon payment
147 to the State of Georgia for the credit of the general fund of the state of the reasonable
148 value of such land in accordance with the applicable laws of the State of Georgia; and if
149 the authority shall deem it expedient to construct any project on any lands the title to
150 which shall then be in Habersham County or in any municipality incorporated in said
151 county, including the City of Cornelia, the governing authority or body of said county or
152 of any of said municipalities, if the governing authority of said county or of any of said
153 municipalities consents thereto, is authorized to convey title to such lands to the authority
154 upon payment for the credit of the general funds of said county or municipalities the
155 reasonable value of such lands. Notwithstanding anything to the contrary contained in
156 this Act, the authority shall have the nonexclusive right, easement, and franchise of laying
157 the necessary mains, pipes, conduits, and drains for waterworks, sewerage, and drainage
158 systems purposes within the rights of way of streets, roads, and highways in the City of
159 Cornelia, without cost except that the authority shall repair all damage done by the
160 authority by reason thereof;

161 (4) To appoint, select, and employ officers, agents, and employees, including
162 engineering, architectural, and construction experts, fiscal agents, and attorneys, and fix
163 their respective compensations;

164 (5) To make and execute contracts, leases, and instruments, which shall be necessary or
165 convenient, including contracts for acquisition and construction of projects and leases of
166 projects or contracts with respect to the use of projects which it causes to be constructed

167 or acquired; and any and all persons, firms, and corporations, and the state and any and
168 all political subdivisions, departments, institutions, or agencies of the state, are authorized
169 to enter into contracts, leases, or agreements with the authority upon such terms and for
170 such purposes as they deem advisable; and without limiting the generality of the above,
171 authority is specifically granted to municipal corporations, counties, and other political
172 subdivisions and to the authority to enter into contracts, lease agreements, or other
173 undertakings relative to the furnishing of services and facilities by the authority to such
174 municipal corporations, counties, and political subdivisions for a term not
175 exceeding 50 years;

176 (6) To construct, erect, acquire, own, repair, remodel, maintain, add to, extend, improve,
177 equip, operate, and manage projects, as defined in this Act; the cost of any such project
178 to be paid in whole or in part from the proceeds of revenue bonds or other funds of the
179 authority or from such proceeds or other funds and any grant from the United States of
180 America or any agency or instrumentality thereof or from the State of Georgia or any
181 agency or instrumentality thereof;

182 (7) To accept loans and grants of money or materials or property of any kind from the
183 United States of America or any agency or instrumentality thereof, upon such terms and
184 conditions as the United States of America or such agency or instrumentality may
185 impose;

186 (8) To accept loans and grants of money or materials or property of any kind from the
187 State of Georgia or any agency or instrumentality or political subdivision thereof, upon
188 such terms and conditions as the State of Georgia or such agency or instrumentality or
189 political subdivision may impose;

190 (9) To borrow money for any of its corporate purposes and to execute notes or other
191 evidences of such indebtedness and to secure the same;

192 (10) To issue negotiable revenue bonds payable solely from funds pledged for the
193 purpose, and to provide for the payment of the same and for the rights of the holders
194 thereof;

195 (11) To exercise any power usually possessed by private corporations performing similar
196 functions, including the power to incur short-term debt and to approve, execute, and
197 deliver appropriate evidence of any such indebtedness, provided that such power is not
198 in conflict with the Constitution and laws of this State; and

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

201 **SECTION 5.**

202 Revenue bonds.

203 The authority, or any authority or body which has or which may in the future succeed to the
 204 powers, duties, and liabilities vested in the authority created by this Act, shall have power
 205 and is authorized at one time, or from time to time, to provide by resolution for the issuance
 206 of negotiable revenue bonds for the purpose of paying all or any part of the cost of any one
 207 or more projects, as defined in paragraph (2) of Section 3 of this Act. The principal of and
 208 interest on such revenue bonds shall be payable solely from the special fund provided for in
 209 this Act for such payment. The bonds of each issue shall be dated, shall bear interest at such
 210 rate or rates, shall provide for when interest shall be payable and when principal shall mature,
 211 and shall be payable in such medium of payment as to both principal and interest, all as may
 212 be determined by the authority, and may be made redeemable before maturity, at the option
 213 of the authority, at such price or prices and under such terms and conditions as may be fixed
 214 by the authority in the resolution providing for the issuance of the bonds. In addition, the
 215 authority shall have the power to issue revenue bonds or obligations pursuant to and in
 216 conformity with Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond
 217 Law."

218 **SECTION 6.**

219 Revenue bonds; form; denomination; registration; place of payment.

220 The authority shall determine the form of the bonds, including any interest coupons to be
 221 attached thereto, and shall fix the denomination or denominations of the bonds and the place
 222 or places of payment of principal and interest thereof, which may be at any bank or trust
 223 company inside or outside the state. The bonds may be issued in coupon or registered form
 224 or both as the authority may determine and provision may be made for the registration of any
 225 coupon bond as to principal alone and also as to both the principal and interest.

226 **SECTION 7.**

227 Revenue bonds; signatures; seal.

228 All such bonds shall bear the manual or facsimile signature of the chairperson of the
 229 authority, attested by the manual or facsimile signature of the secretary of the authority, and
 230 the official seal of the authority or a facsimile thereof shall be affixed thereto and any
 231 coupons attached thereto shall bear the facsimile signatures of the chairperson and secretary

232 of the authority. Any coupon may bear the facsimile signatures of such persons and any
233 bond may be signed, sealed, and attested on behalf of the authority by such person as at the
234 actual time of the execution of such bonds shall be duly authorized or hold the proper office,
235 although at the date of such bonds such persons may not have been so authorized or shall not
236 have held such office. In case any officer whose signature shall appear on any bonds or
237 whose signature shall appear on any coupon shall cease to be such officer before delivery of
238 such bonds, such signature shall nevertheless be valid and sufficient for all purposes the same
239 as if he had remained in office until such delivery.

240 **SECTION 8.**

241 Revenue bonds; negotiability; exemption from taxation.

242 All revenue bonds issued under the provisions of this Act shall have and are declared to have
243 all the qualities and incidents of negotiable instruments under laws of this state. Such bonds
244 are declared to be issued for an essential public and governmental purpose and said bonds
245 and the income thereof shall be exempt from all taxation within the state.

246 **SECTION 9.**

247 Revenue bonds; sale; proceeds.

248 The authority may sell such bonds in such manner and for such price as it may determine to
249 be for the best interest of the authority and the proceeds derived from the sale of such bonds
250 shall be used solely for the purpose provided in the proceedings authorizing the issuance of
251 such bonds.

252 **SECTION 10.**

253 Revenue bonds; interim receipts and certificates or temporary bonds.

254 Prior to the preparation of definitive bonds, the authority may under like restrictions issue
255 interim receipts, interim certificates, or temporary bonds, with or without coupons
256 exchangeable for definitive bonds upon the issuance of the latter.

257 **SECTION 11.**

258 Revenue bonds; replacement of lost or mutilated bonds.

259 The authority may also provide for the replacement of any bond or any coupons which shall
260 become mutilated or be destroyed or lost.

261 **SECTION 12.**

262 Revenue bonds; conditions precedent to issuance.

263 Such revenue bonds shall be issued as required by Article 3 of Chapter 82 of Title 36 of the
264 O.C.G.A., the "Revenue Bond Law." Any resolution providing for the issuance of revenue
265 bonds under the provisions of this Act shall become effective immediately upon passage; and
266 any such resolution may be passed at any regular or special or adjourned meeting of the
267 authority by a majority of its members.

268 **SECTION 13.**

269 Credit not pledged.

270 Revenue bonds issued under the provisions of this Act shall not constitute a debt of the City
271 of Cornelia, nor a pledge of the faith and credit of said city, but such bonds shall be payable
272 solely from the funds provided for in this Act and the issuance of such revenue bonds shall
273 not directly, indirectly, or contingently obligate said city to levy or to pledge any form of
274 taxation whatever therefor or to make any appropriation for their payment, and all such
275 bonds shall contain recitals on their face covering substantially the foregoing provisions of
276 this section.

277 **SECTION 14.**

278 Trust indenture as security.

279 In the discretion of the authority, any issue of such revenue bonds may be secured by a trust
280 indenture by and between the authority and a corporate trustee, which may be any trust
281 company or bank having the powers of a trust company inside or outside of the state. Such
282 trust indenture may pledge or assign fees, tolls, revenues, and earnings to be received by the
283 authority. Either the resolution providing for the issuance of revenue bonds or such trust
284 indenture may contain such provisions for protecting and enforcing the rights and remedies
285 of the bondholders as may be reasonable and proper and not in violation of law, including
286 covenants setting forth the duties of the authority in relation to the acquisition of property,
287 the construction of the project, the maintenance, operation, repair, and insurance of the
288 project, and the custody, safeguarding, and application of all moneys, and may also provide
289 that any project shall be constructed and paid for under the supervision and approval of
290 consulting engineers or architects employed or designated by the authority, and may also
291 contain provisions concerning the conditions, if any, upon which additional revenue bonds
292 may be issued. It shall be lawful for any bank or trust company incorporated under the laws

293 of this state to act as such depository and to furnish such indemnifying bonds or pledge such
 294 securities as may be required by the authority. Such indenture may set forth the rights and
 295 remedies of the bondholders and of the trustee and may restrict the individual right of action
 296 of bondholders as is customary in trust indentures securing bonds and debentures of
 297 corporations. In addition to the foregoing, such trust indenture may contain such other
 298 provisions as the authority may deem reasonable and proper for the security of the
 299 bondholders. All expenses incurred in carrying out such trust indenture may be treated as
 300 a part of the cost of maintenance, operation, and repair of the project affected by such
 301 indenture.

302 **SECTION 15.**

303 To whom proceeds of bonds shall be paid.

304 The authority shall, in the resolution providing for the issuance of revenue bonds or in the
 305 trust indenture, provide for the payment of the proceeds of the sale of the bonds to any officer
 306 or person who or any agency, bank, or trust company which shall act as trustee of such funds
 307 and shall hold and apply the same to the purposes provided for in this Act, subject to such
 308 regulations as this Act and such resolution or trust indenture may provide.

309 **SECTION 16.**

310 Sinking fund.

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

- 320 (1) The interest upon which revenue bonds as such interest shall fall due;
 321 (2) The principal of the bonds as the same shall fall due;
 322 (3) Any premium upon bonds acquired by redemption, payment, or otherwise;
 323 (4) The necessary charges of the paying agent or agents for paying principal and interest;
 324 and
 325 (5) Any investment fees or charges.

326 The use and disposition of such sinking fund shall be subject to such regulations as may be
327 provided in the resolution authorizing the issuance of the revenue bonds or in the trust
328 indenture, but, except as may otherwise be provided in such resolution or trust indenture,
329 such sinking fund shall be maintained as a trust account for the benefit of all revenue bonds
330 without distinction or priority of one over another. Subject to the provisions of the resolution
331 authorizing the issuance of the bonds or in the trust indenture, any surplus moneys in the
332 sinking fund may be applied to the purchase or redemption of bonds and any such bonds so
333 purchased or redeemed shall forthwith be canceled and shall not be reissued, printed, and
334 delivered.

335 **SECTION 17.**

336 Remedies of bondholders.

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

347 **SECTION 18.**

348 Refunding bonds.

349 The authority is authorized to provide by resolution for the issuance of bonds of the authority
350 for the purpose of funding or refunding any revenue bonds issued under the provisions of this
351 Act and then outstanding, together with accrued interest thereon and premium, if any. The
352 issuance of such funding or refunding bonds, the maturities and all other details thereof, the
353 rights of the holders thereof, and the duties of the authority in respect to the same shall be
354 governed by the foregoing provisions of this Act insofar as the same may be applicable.

355

SECTION 19.

356

Venue and jurisdiction.

357 Any action to protect or enforce any rights under the provisions of this Act or any suit or
 358 action against such authority shall be brought in the Superior Court of Habersham County,
 359 Georgia, and any action pertaining to validation of any bonds issued under the provisions of
 360 this Act shall likewise be brought in said court which shall have exclusive, original
 361 jurisdiction of such actions.

362

SECTION 20.

363

Validation.

364 Bonds of the authority shall be confirmed and validated in accordance with the procedure of
 365 Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law"; the petition
 366 for validation shall also make party defendant to such action the State of Georgia or any
 367 municipality, county, authority, political subdivision, or instrumentality of the State of
 368 Georgia which has contracted with the authority for the services and facilities of the project
 369 for which bonds are to be issued and sought to be validated and the state or such
 370 municipality, county, authority, political subdivision, or instrumentality shall be required to
 371 show cause, if any, why such contract or contracts and the terms and conditions thereof shall
 372 not be inquired into by the court and the validity of the terms thereof be determined and the
 373 contract or contracts adjudicated as a part of the basis of the security for the payment of any
 374 such bonds of the authority. The bonds, when validated, and the judgment of validation shall
 375 be final and conclusive with respect to such bonds and the security for the payment thereof
 376 and interest thereon and against the authority issuing the same, the state and any
 377 municipality, county, authority, political subdivision, or instrumentality thereof, if a party to
 378 the validation proceedings, contracting with the City of Cornelia Water and Sewerage
 379 Authority.

380

SECTION 21.

381

Interest of bondholders protected.

382 (a) While any of the bonds issued by the authority remain outstanding, the powers, duties,
 383 or existence of said authority or of its officers, employees, or agents shall not be diminished
 384 or impaired in any manner that will affect adversely the interest and rights of the holders of
 385 such bonds, and no other entity, department, agency, or authority will be created which will

386 compete with the authority to such an extent as to affect adversely the interest and rights of
 387 the holders of such bonds, nor will the state itself so compete with the authority.

388 (b) The provisions of this Act shall be for the benefit of the authority and the holders of any
 389 such bonds and, upon the issuance of bonds under the provisions of this Act, shall constitute
 390 a contract with the holders of such bonds.

391 **SECTION 22.**

392 Moneys received considered trust funds.

393 All moneys received pursuant to the authority of this Act, whether as proceeds from the sale
 394 of revenue bonds, as grants or other contributions, or as revenues, income, fees, and earnings
 395 shall be deemed to be trust funds to be held and applied solely as provided in this Act.

396 **SECTION 23.**

397 Tort immunity.

398 The authority shall have the same immunity and exemption from liability for torts and
 399 negligence as the City of Cornelia, and the officers, agents, and employees of the authority
 400 when in the performance of the work of the authority shall have the same immunity and
 401 exemption from liability for torts and negligence as the officers, agents, and employees of
 402 the City of Cornelia when in performance of their public duties or work of the city.

403 **SECTION 24.**

404 Tax exempt status of authority.

405 The properties of the authority, both real and personal, are declared to be public properties
 406 used for the benefit and welfare of the people of the state and not for purposes of private or
 407 corporate benefit and income, and such properties and the authority shall be exempt from all
 408 taxes and special assessments of any city, county, or the state or any political subdivision
 409 thereof.

410 **SECTION 25.**

411 Rates, charges, and revenues; use.

412 The authority is authorized to prescribe and revise from time to time rates, fees, tolls, and
 413 charges and to collect such rates, fees, tolls, and charges for the services, facilities, or
 414 commodities furnished and, in anticipation of the collection of the revenues and income of

415 such undertakings or projects, to issue revenue bonds as provided by this Act to finance in
416 whole or in part the cost of a project or projects, and to pledge to the punctual payment of
417 said bonds and interest thereon all or any part of the revenues and income of such
418 undertakings or projects, including the revenues of improvements, betterments, or extensions
419 thereto thereafter made.

420 **SECTION 26.**

421 Rules and regulations for operation of projects.

422 It shall be the duty of the authority to prescribe rules and regulations for the operation of the
423 project or projects acquired or constructed under the provisions of this Act, including the
424 basis on which water service and facilities, sewerage service and facilities, or both shall be
425 furnished.

426 **SECTION 27.**

427 Powers declared supplemental and additional.

428 The foregoing sections of this Act shall be deemed to provide an additional and alternative
429 method for the doing of the things authorized by this Act and shall be regarded as
430 supplemental and additional to powers conferred by other laws and shall not be regarded as
431 in derogation of any powers now existing. This Act does not in any way take from
432 Habersham County or any municipality located therein, including the City of Cornelia, or
433 any adjoining county the authority to own, operate, and maintain a water system, small
434 watershed project, project for watershed protection and flood control and prevention,
435 recreational facilities developed in connection therewith, a sewerage system, or a combined
436 water and sewerage system or to issue revenue bonds as is provided by Article 3 of
437 Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law."

438 **SECTION 28.**

439 Liberal construction of Act.

440 This Act being for the welfare of various political subdivisions of the State of Georgia and
441 their inhabitants shall be liberally construed to effect the purposes hereof.

442 **SECTION 29.**

443 Severability.

444 In the event any section, subsection, sentence, clause, or phrase of this Act shall be declared
445 or adjudged invalid or unconstitutional, such adjudication shall in no manner affect the other
446 sections, subsections, sentences, clauses, or phrases of this Act, which shall remain of full
447 force and effect as if the section, subsection, sentence, clause, or phrase so declared or
448 adjudged invalid or unconstitutional were not originally a part hereof. The General
449 Assembly declares that it would have passed the remaining parts of this Act if it had known
450 that such part or parts hereof would be declared or adjudged invalid or unconstitutional.

451 **SECTION 30.**

452 Repealer.

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