

House Bill 496

By: Representatives Allison of the 8<sup>th</sup> and Gasaway of the 28<sup>th</sup>

A BILL TO BE ENTITLED

AN ACT

1 To create the Rabun County Water and Sewer Authority; to authorize the authority to  
 2 acquire, construct, equip, operate, maintain, own, and improve self-liquidating projects  
 3 embracing sources of water supply, the treatment, distribution, and sale of water and related  
 4 facilities to individuals, private concerns, municipal corporations, and governmental units,  
 5 and the collection, treatment, and disposal of sewage waste and any related facilities; to  
 6 confer powers and impose duties on the authority; to provide for the membership and for the  
 7 appointment of members of the authority and their terms of office; to provide for vacancies;  
 8 to authorize the authority to contract with municipal governments, counties, and others  
 9 pertaining to water and sewerage facilities and to execute leases and do all things deemed  
 10 necessary or convenient for the operation of such undertakings or projects; to authorize the  
 11 issuance of revenue bonds of the authority payable from the revenues, tolls, fees, charges,  
 12 and earnings of the authority and to pay the cost of such undertakings or projects and  
 13 authorize the collection and pledging of the revenues and earnings of the authority for the  
 14 payment of such bonds and to authorize the execution of trust indentures to secure the  
 15 payment thereof and to define the rights of the holders of such obligations; to provide that  
 16 no debt of the authority shall be guaranteed or otherwise subject to taxation except by the  
 17 voluntary act of any such municipality, county, or other governmental entity; to make the  
 18 bonds and other obligations of the authority exempt from taxation; to provide for the  
 19 authority to condemn property; to fix the venue or jurisdiction of actions relating to any  
 20 provisions of this Act; to provide for severability; to provide for other matters relating to the  
 21 foregoing; to provide an effective date; to repeal conflicting laws; and for other purposes.

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

23 **SECTION 1.**

24 Short title.

25 This Act shall be known and may be cited as the "Rabun County Water and Sewer Authority  
26 Act."

27 **SECTION 2.**

28 Rabun County Water and Sewer Authority.

29 (a) There is created a public body corporation to be called the Rabun County Water and  
30 Sewer Authority and, by such name, style, and title, such body may contract and be  
31 contracted with, bring and defend actions, implead and be impleaded, and complain and  
32 defend in all courts of law and equity, except that the authority or the trustee acting under any  
33 trust indenture shall in no event be liable for any torts committed by any of its officers,  
34 agents, or employees.

35 (b) The authority shall consist of nine members, two of whom shall be appointed by the  
36 governing authority of Rabun County and the City of Clayton and one each by the governing  
37 authorities of the Cities of Tiger, Mountain City, Dillard, Tallulah Falls, and Sky Valley.  
38 The authority members shall be citizen residents of Rabun County, Georgia, but not  
39 necessarily a resident of the municipality appointing, at the option of the appointing  
40 municipality. Citizens holding elective office in the governing authorities of any of the  
41 appointing municipalities or their employees or in the governing authority of Rabun County,  
42 or its employees, shall be ineligible for appointment to or service on the authority.

43 (c) The initial terms of the appointed authority members shall be as follows: Three years for  
44 the first appointees of Rabun County and the City of Clayton and for the appointee of  
45 Tallulah Falls, two years for the second appointee of the City of Clayton and for the  
46 appointees of Dillard and Sky Valley, and four years for the second appointees of Rabun  
47 County and for the appointees of Tiger and Mountain City. Successor appointments' terms  
48 after the initial appointments expire shall be for three-year terms for all authority members.  
49 All properly appointed members shall serve until their successors are appointed and  
50 qualified.

51 (d) Immediately after the passage of this Act and the appointment of the members by the  
52 appointing government authorities, the members of the authority shall enter upon their duties  
53 and, as soon as it is practicable thereafter, shall hold an organizational meeting. The  
54 members of the authority shall elect one of their number as chairperson and another as vice  
55 chairperson. The members shall also elect a secretary, who need not be a member of the  
56 authority. Five members of the authority shall constitute a quorum, provided that the

57 authority is fully appointed and has nine members, and, if less than nine members, then a  
58 majority of the servicing members shall constitute a quorum. No vacancy on the authority  
59 shall impair the authority of the quorum to exercise all of the rights and powers of and  
60 perform all of the duties and obligations of the authority. A majority of the governing  
61 authorities shall provide by joint resolution for the compensation for the services of the  
62 members of the authority in such amounts as they may deem appropriate; provided, however,  
63 that such members shall be reimbursed for their actual expenses necessarily incurred in the  
64 performance of their duties. The authority may make rules and regulations and adopt bylaws  
65 for its own government. The authority shall have perpetual existence.

### 66 SECTION 3.

#### 67 Vacancies.

68 Any vacancy in the membership of the authority shall be filled for the remainder of the  
69 unexpired term by the governing authority of the county or municipality which appointed the  
70 member who has vacated his or her membership on the authority.

### 71 SECTION 4.

#### 72 Definitions.

73 As used in this Act, the term:

74 (1) "Authority" means the Rabun County Water and Sewer Authority created by  
75 Section 2 of this Act.

76 (2) "Cost of the project" means and embraces the cost of construction; the cost of all  
77 lands, properties, rights, easements, and franchises acquired; the cost of all machinery and  
78 equipment; financing charges, interest prior to and during construction, and for one year  
79 after completion of construction, the cost of engineering, architectural, fiscal, and legal  
80 expenses, and of plans and specifications, and other expenses necessary or incident to  
81 determining the feasibility or practicability of the project; administrative expenses; and  
82 such other expenses as may be necessary or incident to the financing authorized in this  
83 Act, the construction of the project, the placing of the same in operation, and the  
84 condemnation of property necessary for such construction and operation. The cost of any  
85 project may also include a fund or funds for the creation of a debt service reserve, a  
86 renewal and replacement reserve, and such other reserves as may be reasonably required  
87 by the authority with respect to the financing and operating of its projects and as may be  
88 authorized by any bond resolution or trust agreement or indenture pursuant to the  
89 provisions of which the issuance of any bonds may be authorized. Any obligation or

90 expense incurred for any of the foregoing purposes shall be regarded as a part of the cost  
 91 of the project and may be paid or reimbursed as such out of the proceeds of revenue  
 92 bonds issued under the provisions of this Act for such project.

93 (3) "Project" means and includes the acquisition and construction of systems, plants,  
 94 works, instrumentalities, and properties:

95 (A) Used or useful in connection with the obtaining of a water supply and the  
 96 conservation, treatment, distribution, and sale of water for public and private uses; or

97 (B) Used or useful in connection with the collection, treatment, and disposal of sewage  
 98 and waste, together with all parts of any such system, plant, work, instrumentality, and  
 99 property and all appurtenances thereto, including lands, easements, rights in land, water  
 100 rights, contract rights, franchises, approaches, dams, reservoirs, generating stations,  
 101 sewage disposal plants, intercepting sewers, trunk-connecting and other sewers and  
 102 water mains, filtration works, pumping stations, and equipment.

103 (4) "Revenue bonds" and "bonds" means revenue bonds authorized to be issued pursuant  
 104 to this Act, and revenue bonds may be issued by the authority as authorized in this Act  
 105 without any other actions or proceedings.

106 (5) "Self-liquidating" means any project which, in the sole judgment of the authority, the  
 107 revenues and earnings to be derived by the authority therefrom, including, but not limited  
 108 to, any contractual payments, and all properties used, leased, and sold in connection  
 109 therewith, together with any grant, will be sufficient to pay the cost of operating,  
 110 maintaining, repairing, improving, and extending the project and to pay the principal and  
 111 interest of the revenue bonds which may be issued for the cost of the project or projects.

## 112 SECTION 5.

### 113 Powers.

114 The authority shall have the power:

115 (1) To have a seal and alter the same at its pleasure;

116 (2) To acquire by purchase, lease, gift, or otherwise and to hold, lease, and dispose of  
 117 real and personal property of every kind and character for its corporate purposes;

118 (3) To acquire in its own name by purchase, on such terms and conditions and in such  
 119 manner as it may deem proper, or by condemnation in accordance with the provisions of  
 120 any and all existing laws applicable to the condemnation of property for public use, real  
 121 property or rights of easements therein or franchises necessary or convenient for its  
 122 corporate purposes, and to use the same so long as its corporate existence shall continue,  
 123 and to lease or make contracts with respect to the use of or dispose of the same in any  
 124 manner it deems to the best advantage of the authority, the authority being under no

125 obligation to accept and pay for any property condemned under this Act except from the  
126 funds provided under the authority of this Act; and in any proceedings to condemn, such  
127 orders may be made by the court having jurisdiction of the action or proceedings as may  
128 be just to the authority and to the owners of the property to be condemned, provided that  
129 no property shall be acquired under the provisions of this Act upon which any lien or  
130 other encumbrance exists, unless at the time such property is so acquired, a sufficient sum  
131 of money is deposited in trust to pay and redeem the fair value of such lien or  
132 encumbrance;

133 (4) To enter into an agreement with the cities or counties or with any other political  
134 subdivision or municipal corporation of this state with respect to acquiring or providing  
135 a source of water supply; providing sewerage service; preparing engineering data, plans,  
136 and specifications for a water and sewerage system; extending water mains; apportioning  
137 the costs of construction, extending and maintaining a water or sewerage system, or both;  
138 providing for the testing and inspection of facilities constructed; providing for rates to be  
139 charged for water and sewerage services furnished to users of such system; providing for  
140 the reading of meters and keeping of pertinent records; or apportioning or designating the  
141 responsibility of any functions normally maintained by a water and sewerage system at  
142 the most reasonable cost possible;

143 (5) To appoint, select, and employ officers, agents, and employees, including  
144 engineering, architectural, and construction experts, fiscal agents, and attorneys, and fix  
145 their respective compensations;

146 (6) To make contracts and leases and to execute all instruments necessary or convenient  
147 thereto, including contracts for construction of projects and leases of projects or contracts  
148 with respect to the use of projects which it causes to be erected or acquired, and any and  
149 all persons, firms, and corporations and any and all political subdivisions, departments,  
150 institutions, or agencies of this state and all special districts and all municipal  
151 corporations located in Rabun County are authorized to enter into contracts, leases, or  
152 agreements with the authority upon such terms and for such purposes as they deem  
153 advisable; and without limiting the generality of this paragraph, authority is specifically  
154 granted to municipal corporations, special districts, and counties and to the authority to  
155 enter into contracts, lease agreements, or other undertakings relative to the furnishing of  
156 water and sewerage service and facilities or either of them by the authority to such  
157 municipal corporations, special districts, and counties to the authority for a term not  
158 exceeding 50 years. As to any political subdivisions, department, institution, or agency  
159 of this state and all special districts and municipal corporations located in Rabun County  
160 which shall enter into an agreement under the authority granted in this paragraph or in  
161 paragraph (4) of this section, the obligation to perform and fulfill such agreement shall

162 constitute a general obligation of such entity for which its full faith and credit shall be and  
 163 is pledged;

164 (7) To construct, erect, acquire, own, repair, remodel, maintain, add to, extend, improve,  
 165 equip, operate, and manage projects, the cost of the projects to be paid in whole or in part  
 166 from the proceeds of revenue bonds of the authority or from such proceeds and any grant  
 167 from the United States of America or any agency or instrumentality thereof or from the  
 168 State of Georgia or any agency, instrumentality, or political subdivision thereof;

169 (8) To make loans with, and accept grants or loans of money or materials or property of  
 170 any kind from, the United States of America or any agency or instrumentality thereof,  
 171 upon such terms and conditions as the United States of America or such agency or  
 172 instrumentality may impose;

173 (9) To make loans with, and accept grants or loans of money, materials, or property of  
 174 any kind from, the State of Georgia or any agency, instrumentality, or political  
 175 subdivision thereof, upon such terms and conditions as the State of Georgia or such  
 176 agency, instrumentality, or political subdivision may impose;

177 (10) To borrow money for any of its corporate purposes, to issue negotiable revenue  
 178 bonds payable solely from funds pledged for that purpose, and to provide for the payment  
 179 of the same and for the rights of the holders thereof;

180 (11) To exercise any power usually possessed by private corporations performing similar  
 181 functions, including the power to make short-term loans and to approve, execute, and  
 182 deliver appropriate evidence of any such indebtedness, provided that such power is in  
 183 conflict with the Constitution or general laws of this state;

184 (12) To investigate the conditions of water and sewer plants and facilities within Rabun  
 185 County and estimate, recommend, and undertake necessary improvements for each  
 186 system and the costs of same, and the costs of expanding the systems in the future; and

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

## 189 **SECTION 6.**

### 190 Financing projects.

191 The authority, or any authority or body which has or which may in the future succeed to the  
 192 powers, duties, and liabilities vested in the authority created in this Act, shall have power and  
 193 is authorized at one time, or from time to time, to borrow money for the purpose of paying  
 194 all or any part of the cost of the project or any one or more projects and to provide by  
 195 resolution for issuance of negotiable revenue bonds for that purpose. The principal and  
 196 interest of such revenue bonds shall be payable solely from the special fund provided in this

197 Act for such payment. The bonds of each issue shall be dated, shall mature at such time or  
198 times not exceeding 40 years from their date or dates, shall be payable in such medium of  
199 payment as to both principal and interest as may be determined by the authority, and may be  
200 made redeemable before maturity, at the option of the authority, at such price or prices and  
201 under such terms and conditions as may be fixed by the authority in the resolution providing  
202 for the issuance of the bonds. The interest rate or rates to be borne by any bonds and the time  
203 of payment of such interest shall be fixed, and with respect to any interest rate which floats  
204 in response to a variable, the method of calculation shall be fixed by the authority in the  
205 resolution providing for the issuance of all bonds. Any bonds issued by the authority shall  
206 be exempt from all laws of the State of Georgia governing usury or prescribing or limiting  
207 interest rates to be borne by bonds or other obligations.

208 **SECTION 7.**

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

210 The authority shall determine the form of the bonds, including any interest coupons to be  
211 attached thereto, and shall fix the denomination or denominations of the bonds and the place  
212 or places of payment of principal and interest thereof, which may be at any bank or trust  
213 company inside or outside this state. The bonds may be issued in coupon or registered form,  
214 or both, as the authority may determine, and provision may be made for registration,  
215 conversion, and exchangeability privileges and for rights of redemption and may contain  
216 such other terms, covenants, assignments, and conditions as the resolution or resolutions  
217 authorizing the issuance of such bonds may provide.

218 **SECTION 8.**

219 Same; signatures, seals.

220 All such bonds shall bear the manual or facsimile signature of the chairperson or vice  
221 chairperson of the authority and the attesting manual or facsimile signature of the secretary,  
222 assistant secretary, or secretary-treasurer of the authority, and the official seal of the authority  
223 shall be affixed thereto, either manually or by facsimile. The signature of one of such  
224 officers shall be placed manually on each bond. Any coupons attached thereto shall bear the  
225 manual or facsimile signatures of the chairperson or vice chairperson and the secretary,  
226 assistant secretary, or secretary-treasurer of the authority. Any coupon may bear the  
227 facsimile signature of and may be manually signed, sealed, and attested on behalf of the  
228 authority by those persons who at the actual time of the execution of such bonds are duly  
229 authorized or hold the proper office, although at the date of issuance of such bonds, such

230 persons may not have been so authorized or did not hold such office. In case any officer  
231 whose signature appears on any bond or on any coupon ceases to be such officer before the  
232 delivery of such bonds, such signature shall nevertheless be valid and sufficient for all  
233 purposes, the same as if he or she had remained in office until such delivery.

234 **SECTION 9.**

235 Same; negotiability; exemption from taxation.

236 All revenue bonds issued under the provisions of this Act shall have and are declared to have  
237 all the qualities and incidents of negotiable instruments under the laws of the State of  
238 Georgia pertaining to negotiable instruments. Such bonds are declared to be issued for an  
239 essential public and governmental purpose and said bonds, their transfer, and the income  
240 therefrom shall be exempt from all taxation within this state.

241 **SECTION 10.**

242 Same; sale; price.

243 The authority may sell such bonds in such manner and for such price as it may determine to  
244 be in the best interest of the authority.

245 **SECTION 11.**

246 Same; proceeds of bonds.

247 The proceeds of such bonds shall be used solely for the payment of the cost of the project or  
248 projects, and unless otherwise provided in the resolution authorizing the issuance of the  
249 bonds or in any trust indenture, additional bonds may in like manner be issued to provide the  
250 amount of any deficit, which, unless otherwise provided in the resolution authorizing the  
251 issuance of the bonds or in any trust indenture, shall be deemed to be of the same issue and  
252 shall be entitled to pay from the same fund without preference or priority of the bonds first  
253 issued for the same purpose. If the proceeds of the bonds of any issue exceeds the amount  
254 required for the purpose for which such bonds are issued, the surplus shall be used for paying  
255 the principal of and the interest on such bonds.



256 **SECTION 12.**

257 Same; interim receipts and certificates or temporary bonds.

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

261 **SECTION 13.**

262 Same; replacement of lost or mutilated bonds.

263 The authority may also provide for the replacement of any bond which becomes mutilated  
264 or is destroyed or lost.

265 **SECTION 14.**

266 Same; conditions precedent to issuance; object of issuance.

267 Such revenue bonds may be issued without any other proceedings or the happening of any  
268 conditions or things other than those proceedings, conditions, and things which are specified  
269 or required by this Act. In the discretion of the authority, revenue bonds of a single issue  
270 may be issued for the purpose of any particular project. Any resolution providing for the  
271 issuance of revenue bonds under the provisions of this Act shall become effective  
272 immediately upon its passage and need not be published or posted, and any such resolution  
273 may be passed at any regular, special, or adjourned meeting of the authority by a majority  
274 of the quorum as provided in this Act.

275 **SECTION 15.**

276 Same; credit not pledged.

277 Revenue bonds issued under the provisions of this Act shall not be deemed to constitute a  
278 debt of the State of Georgia or any city or county nor a pledge of the faith and credit of such  
279 state, municipalities, or counties, but such bonds shall be payable solely from the fund  
280 provided for in this Act, and the issuance of such revenue bonds shall not directly, indirectly,  
281 or contingently obligate such state, municipality, or county to levy or to pledge any form of  
282 taxation whatever therefor or to make any appropriation for their payment, and all such  
283 bonds shall contain recitals on their face covering substantially the provisions enumerated  
284 in this section.

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**SECTION 16.**

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Same; trust indenture as security.

287 In the discretion of the authority, any issue of such revenue bonds may be secured by a trust  
288 indenture by and between the authority and a corporate trustee, which may be any trust  
289 company or bank inside or outside this state having the powers of a trust company. Such  
290 trust indenture may pledge or assign fees, tolls, charges, revenues, and earnings to be  
291 received by the authority. Either the resolution providing for the issuance of revenue bonds  
292 or such trust indenture may contain such provisions for protecting and enforcing the rights  
293 and remedies of the bondholders as may be reasonable and proper and not in violation of law,  
294 including covenants setting forth the duties of the authority in relation to the acquisition of  
295 property, the construction of the project, the maintenance, operation, repair, and insurance  
296 of the project, and the custody, safeguarding, and application of all moneys; may also  
297 provide that any project shall be constructed and paid for under the supervision and approval  
298 of consulting engineers or architects employed or designated by the authority and shall be  
299 satisfactory to the original purchasers of the bonds issued therefor; may also require that the  
300 security given by contractors and by any depository of the proceeds of the bonds or revenues  
301 or other moneys be satisfactory to such purchasers; and may also contain provisions  
302 concerning the conditions, if any, upon which additional revenue bonds may be issued. It  
303 shall be lawful for any bank or trust company incorporated under the laws of this state to act  
304 as such depository and to furnish such indemnifying bonds or pledge such securities as may  
305 be required by the authority. Such indenture may set forth the rights and remedies of the  
306 bondholders and of the trustee and may restrict the individual right of action of bondholders  
307 as is customary in trust indentures securing bonds and debentures of private corporations.  
308 In addition, such trust indenture may contain such other provisions as the authority may  
309 deem reasonable and proper for the security of the bondholders. All expenses incurred in  
310 carrying out such trust indenture may be treated as a part of the cost of maintenance,  
311 operation, and repair of the project affected by such indenture.

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**SECTION 17.**

313

Same; to whom proceeds of bond shall be paid.

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

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**SECTION 18.**

320

Same; sinking fund.

321 The revenues, fees, tolls, charges, and earnings derived from any particular project or  
 322 projects, regardless of whether or not such fees, tolls, charges, earnings, and revenues were  
 323 produced by a particular project for which bonds have been issued, unless otherwise pledged  
 324 and allocated together with any grant funds, may be pledged and allocated by the authority  
 325 to the payment of the principal of and interest on revenue bonds of the authority as the  
 326 resolution authorizing the issuance of the bonds or the trust indenture may provide, and such  
 327 funds so pledged from whatever source received, which pledge may include funds received  
 328 from one or more or all sources, shall be set aside at regular intervals, as may be provided  
 329 in the resolution or trust indenture, into a sinking fund which shall be pledged to and charged  
 330 with the payment of:

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(1) The interest on such revenue bonds as such interest shall fall due;

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(2) The principal of the bonds as the same shall fall due;

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(3) The necessary charges of paying agents for paying principal and interest; and

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(4) Any premium upon bonds retired by call or purchase as provided in this Act. The use

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and disposition of such sinking fund shall be subject to such regulations as may be

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provided in the resolution authorizing the issuance of the revenue bonds or in any trust

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indenture, surplus moneys in the sinking fund may be applied to the purchase or

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redemption of bonds, and any such bonds so purchased or redeemed shall immediately

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be canceled and shall not again be issued.

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**SECTION 19.**

341

Same; remedies of bondholders.

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

352 **SECTION 20.**

353 Same; refunding bonds.

354 The authority is authorized to provide by resolution for the issuance of refunding bonds of  
355 the authority for the purpose of refunding any revenue bonds issued under the provisions of  
356 this Act and then outstanding, together with accrued interest thereon, and to refund any  
357 revenue bonds issued by any city, county, or authority with respect to any facilities to be  
358 acquired by the authority from any such city, county, or authority. The issuance of such  
359 revenue refunding bonds, the maturities and all other details thereof, the rights of the holders  
360 thereof, and the duties of the authority in respect to the same shall be governed by the  
361 provisions of this Act insofar as such provisions may be applicable.

362 **SECTION 21.**

363 Same; venue and jurisdiction.

364 Any action to protect or enforce any rights under the provisions of this Act or any action  
365 against such authority shall be brought in the Superior Court of Rabun County, Georgia, and  
366 any action pertaining to validation of any bonds issued under the provisions of this Act shall  
367 likewise be brought in such court, which shall have exclusive, original jurisdiction of such  
368 actions.

369 **SECTION 22.**

370 Same; validation.

371 Bonds of the authority shall be confirmed and validated in accordance with the procedure  
372 provided for in Article 3 of Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond  
373 Law," as now or hereafter amended. The petition for validation shall also make party  
374 defendant to such action any municipality, county, authority, subdivision, or instrumentality  
375 of the State of Georgia, or any other party which has contracted with the authority to furnish  
376 or received the services and facilities of the water and sewerage system for which bonds are  
377 to be issued and sought to be validated and such municipality, county, authority, subdivision,  
378 or instrumentality or other party shall be required to show cause, if any exists, why such  
379 contract or contracts and the terms and conditions thereof should not be inquired into by the  
380 court and the validity of the terms thereof be determined and the contract or contracts  
381 adjudicated as security for the payment of any such bonds of the authority. The bonds when  
382 validated and the judgment of validation shall be final and conclusive with respect to such

383 bonds, against the authority issuing the same, and any municipality, county, authority,  
384 subdivision, instrumentality, or other party contracting with the authority.

385 **SECTION 23.**

386 Same; interest of bondholders protected.

387 While any of the bonds issued by the authority remain outstanding, the powers, duties, or  
388 existence of the authority or of its officers, employees, or agents shall not be diminished or  
389 impaired in any manner that will affect adversely the interest and rights of the holders of such  
390 bonds, and no other entity, department, agency, or authority shall be created which will  
391 compete with the authority to such an extent as to affect adversely the interest and rights of  
392 the holders of such bonds. The provisions of this Act shall be for the benefit of the authority  
393 and the holders of any such bonds, and upon the issuance of bonds under the provisions of  
394 this Act, shall constitute a contract with the holders of such bonds.

395 **SECTION 24.**

396 Moneys received considered trust funds.

397 All moneys receive pursuant to the authority of this Act, whether as proceeds from the sale  
398 of revenue bonds, as proceeds of short-term loans, as grants or other contributions, or as  
399 revenues, fees, and earnings shall be deemed to be trust funds to be held and applied solely  
400 as provided in this Act.

401 **SECTION 25.**

402 Purpose of the authority.

403 Without limiting the generality of any provisions of this Act, the general purpose of the  
404 authority is declared to be that of acquiring, equipping, constructing, maintaining, and  
405 operating adequate water supply, treatment, and distribution facilities and sewerage  
406 collection, treatment, and distribution facilities; making such facilities and the services  
407 thereof available to public and private consumers and users located in the municipalities of  
408 Rabun County and Rabun County and environs, including municipalities inside or outside  
409 such county, and adjoining counties; extending and improving such facilities; and doing all  
410 things deemed by the authority necessary, convenient, and desirable for and incident to the  
411 efficient and proper development and operation for such type of undertakings.

412 **SECTION 26.**

413 Rates, charges, and revenues; use.

414 The authority is authorized to prescribe, fix, and collect rates, fees, tolls, or charges and to  
415 revise from time to time and collect such rates, fees, tolls, or charges for the services,  
416 facilities, or commodities furnished, and in anticipation of the collection of the revenues of  
417 such undertaking or project, to issue revenue bonds as provided in this Act to finance in  
418 whole or in part the cost of the acquisition, construction, reconstruction, improvement,  
419 betterment, or extension of the water and sewerage system, and to pledge to the punctual  
420 payment of such bonds and interest thereon all or any part of the revenues of such  
421 undertaking or project, including the revenues of improvements, betterments, or extensions  
422 thereto thereafter made.

423 **SECTION 27.**

424 Tax-exempt status of authority.

425 The properties of the authority, both real and personal, are declared to be public properties  
426 used for the benefit and welfare of the people of the State of Georgia and not for purposes  
427 of private or corporate benefit and income, and such properties and the authority shall be  
428 exempt from all taxes and special assessments of any city, county, or the state or any political  
429 subdivision thereof.

430 **SECTION 28.**

431 Rules and regulations for operation of projects.

432 It shall be the duty of the authority to prescribe rules and regulations for the operation of the  
433 project or projects constructed under the provisions of this Act.

434 **SECTION 29.**

435 Powers declared supplemental and additional.

436 The provisions of this Act shall be deemed to provide an additional and alternative method  
437 for the doing of the things authorized by this Act and shall be regarded as supplemental and  
438 additional to powers conferred by other laws, and shall not be regarded as in derogation of  
439 any powers now existing.

440 **SECTION 30.**

441 Liberal construction of Act.

442 This Act, being for the welfare of various political subdivisions of this state and its  
443 inhabitants, shall be liberally construed to effect the purposes of this Act.

444 **SECTION 31.**

445 Effect of partial invalidity of Act.

446 The provisions of this Act are severable, and if any of its provisions are held unconstitutional  
447 by any court of any competent jurisdiction, the decision of such court shall not affect or  
448 impair any of the remaining provisions.

449 **SECTION 32.**

450 Other existing powers and authority.

451 This Act shall not in any way take from the City of Clayton or Rabun County or any  
452 municipality located in Rabun County or in any adjoining county the authority to own,  
453 operate, and maintain water systems or issue revenue bonds as is provided by Article 3 of  
454 Chapter 82 of Title 36 of the O.C.G.A., the "Revenue Bond Law."

455 **SECTION 33.**

456 Effective date.

457 This Act shall become effective upon its approval by the Governor or upon its becoming law  
458 without such approval.

459 **SECTION 34.**

460 Successor to existing authority.

461 The Rabun County Water and Sewer Authority shall be and, by this Act, is empowered to  
462 succeed to the power and authority of the existing Clayton-Rabun County Water & Sewer  
463 Authority ("existing authority") and subsequent to organization is authorized and empowered  
464 to take over the property, accounts, operation, contracts, and other powers, privileges, and  
465 obligations of said existing authority, and, upon the Rabun County Water and Sewer  
466 Authority assuming full ownership, control, and operation of the assets and responsibilities  
467 of the existing authority, the existing authority may be disbanded by joint resolution of the

468 the Rabun County Water and Sewer Authority and the existing authority subject to  
469 reinstatement only by similar, joint resolution, and the Rabun County Water and Sewer  
470 Authority shall continue the operation of the existing authority under the powers and  
471 responsibilities of this Act.

472 **SECTION 35.**

473 Repealer.

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