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Water and Wastewater Treatment Authority

Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Water and Wastewater Treatment Authority

Private Acts of 1990 Chapter 124

SECTION 1. A water and wastewater treatment authority, to be known and designated as the Water Authority of Dickson County, is hereby created and established for and in behalf of the citizens of Dickson County, Tennessee.

As amended by: Private Acts of 2001, Chapter 51

SECTION 2. It is hereby declared that the Water Authority of Dickson County created pursuant to this act shall be public and a governmental body; and that the planning, acquisition, operating and financing of water or wastewater treatment facilities by said authority is hereby declared to be a public and governmental purpose and a matter of public necessity.

The property and revenues of the authority or any interest therein shall be exempt from all state, county and municipal taxation.

As amended by: Private Acts of 2001, Chapter 51

SECTION 3. The following words or terms whenever used or referred to in this chapter shall have the following respective meanings unless different meanings clearly appear from the context.

- (1) "Authority" means the Dickson County Water Authority created pursuant to the provisions of this act.
- (2) "Creating governmental entity" means the county of Dickson, Tennessee, a political subdivision of the State of Tennessee.
- (3) "Participating governmental entity" means any rural water utility district, or municipality, which, pursuant to a resolution of its governing body, shall have sold, leased, dedicated, donated or otherwise conveyed its water treatment works, or any portion thereof, to the authority for operation by the authority in order to make such treatment works an operational part of its treatment works.
- (4) "Treatment works" means any devices and systems used in the treatment and distribution of water or wastewater, including transmission lines, storage facilities, pumping, power, and other equipment, and their appurtenances, extensions, improvements, remodeling, additions, and other alterations thereof.
- (5) "Governing body" means the chief legislative body of any creating or participating governmental entity.
- (6) "Board" means the board of commissioners of the authority.
- (7) "Executive officer" means the mayor, county executive or other chief executive officer of the creating or a participating governmental entity.
- (8) "Bonds" shall include notes, interim certificates, or other obligations of an authority.
- (9) "Jurisdiction" shall include, collectively, all areas of jurisdiction encompassed by the creating governmental entity and each participating governmental entity.

SECTION 4. The creating governmental entity and any participating governmental entity may enter into an agreement with the authority for the orderly transfer to the authority of any treatment works properties necessary for the functioning of the authority. The agreement may include provisions for the reimbursement of any such governmental entity for its obligations issued for treatment works. Nothing in this act shall be construed to require any transfer of function or service area by the creating governmental entity or any participating governmental entity to the authority

SECTION 5. The governing body of the authority shall be a board of commissioners of five (5) persons of good standing and reputation and shall be resident and domiciliary of Dickson County, Tennessee. No such person shall be an employee of any water utility in Dickson County.

The board of commissioners shall consist of:

- (1) One (1) representative from the Turnbull-White Bluff Utility District, appointed by the County Executive;
- (2) A second (2nd) representative from the Turnbull-White Bluff Utility District, appointed by the County Executive;
- (3) The Mayor of the City of Dickson, or the Mayor's designee;
- (4) A member of the Dickson City Council, appointed by the Mayor; and

(5) A member at-large, selected by the other four (4) commissioners, from a resident of the Harpeth Utility District or other participating entities.

The term of the members shall be for four (4) years on a rotating basis with the exception of the fifth (5th) board member, who will be appointed for a two-year term, in the manner prescribed. The fifth (5th) member of the board may be removed by unanimous vote of the other four (4) members of the board. Reappointments for the Turnbull-White Bluff members will be selected by the County Executive from a list of three (3) residents of the Turnbull-White Bluff service area as it existed on January 1, 2001, submitted by the Turnbull-White Bluff board members. Reappointment of the fifth (5th) member shall be selected by the other four (4) board members from any resident of any other water utility in Dickson County who has entered into the authority. Other water utility organizations that are not selected as the fifth (5th) member shall serve on the board as a participating ad hoc member. These member shall be selected by the five-member board. At the end of the two-year term of the fifth (5th) member the position shall rotate out and the ad hoc member shall become the fifth (5th) board member for a period of two (2) years. At the end of the first four-year period, the fifth (5th) board member will be selected by the other four (4) board members from a resident of the other participating entities.

The board shall elect from among its members a chairman and vice-chairman, each of whom shall continue to be voting members, and shall adopt its own bylaws and rules of procedure. The presence of a majority of the commissioners shall constitute a quorum for the transaction of business. Except as herein expressly otherwise specified, all powers herein granted to an authority shall be exercised by the board.

Each member of the board shall be entitled to an equal vote on all matters.

All commissioners shall serve without compensation, but may receive a per diem allowance as the board may determine by resolutions. Actual reasonable expenses incurred by the commissioners while engaged in the business of the authority are subject to reimbursement by the authority. All commissioners shall be eligible for health insurance to the same extent as the employees of the authority. Neither the public service commission nor any board or commission of like character hereafter created shall have jurisdiction over the authority in the management and control of any treatment works, including regulation of its rates, fees and charges.

As amended by:

Private Acts of 2001, Chapter 51

SECTION 6. The board shall be vested with full, absolute and complete authority and responsibility for the operation, management, conduct and control of the business and affairs of the authority herein created; such operation, management, conduct and control, however, shall not be inconsistent with existing contractual obligations of any participating governmental entity. Said authority and responsibility shall include, but shall not be limited to, the establishment, promulgation and enforcement of the rules, regulation's or policy of the authority, the upkeep and maintenance of all property, the administration of the financial affairs of the authority, and the employment, compensation, discharge and supervision of all personnel.

SECTION 7. The board may appoint an executive director, who shall be the chief executive and administrative officer of the authority, and may enter into a contract with him establishing his salary, term of office, and duties.

The executive director may appoint, and the board shall confirm, additional officers, employees, or independent contractors as they are needed.

The executive director shall prepare annually the operating budget of the authority and submit the same to the board for approval at least sixty (60) days prior to the beginning of the fiscal year.

The executive director shall also submit such periodic reports to the board as it may direct.

The executive director shall attend all meetings of the board.

SECTION 8. The authority shall have the powers necessary to accomplish the purpose of this act (excluding the power to levy and collect taxes) including, but not limited to, the following:

- (1) To have perpetual succession, to sue and be sued, and to adopt a corporate seal;
- (2) To plan for and implement the treatment or distribution of water and the collection and treatment of wastewater in Dickson County and to plan, establish, acquire, construct, improve and operate one (1) or more treatment works within or without the creating and participating governmental entities for the distribution or treatment of water and/or the collection and treatment of wastewater;
- (3) To acquire by purchase, lease, gift or the exercise of the right of eminent domain, to lease as lessor or lessee, and to hold, dispose of, and convey any property, real or personal, tangible or

intangible, or any right or interest in any such property, in connection with any treatment works, whether or not subject to mortgages, liens, charges, or other encumbrances, and to construct any treatment works subject thereto. The authority is authorized to use any right-of-way, easement or other similar property right held by the state or any other governmental entity, necessary or convenient in connection with the acquisition, improvement, operation or maintenance of treatment works, provided that the state or such other government or entity shall consent to such use;

(4) To enter into agreements with the creating governmental entity or with participating governmental entities, to acquire by lease, gift, purchase or otherwise any treatment works, or property related thereto, of such governmental entity and to operate such treatment works as part of its treatment works; or to enter into agreements with creating or participating governmental entities providing for the operation by the authority of the treatment works, or any portion thereof, owned by a participating governmental entity for the purposes set forth herein;

(5) To enter into, by contract with the creating governmental entity or otherwise, a plan for pension, disability, hospitalization and death benefits for the officers and employees of the authority;

(6) To make application directly to the proper federal, state, county and municipal officials and agencies, or to any other source, public or private, for loans, grants, guarantees or other financial assistance in aid of treatment works operated by it and to accept the same;

(7) To make studies and recommended to the appropriate commissions and legislative bodies of the creating and participating governmental entities, zoning changes in the area of any treatment works operated by the authority;

(8) To have control of its treatment works with the right and duty to establish and charge fees, rates and other charges, as set out herein, and to collect revenues therefrom, not inconsistent with the rights of the holders of its bonds;

(9) To appoint an executive director, and to confirm or reject the executive director's appointment of a secretary, a treasurer, an auditor, legal counsel, chief engineer, or other employees or independent contractors as they may be necessary; to prescribe their duties and qualifications; and to fix their compensation

(10) To use in the performance of its functions the officers, agents, employees, services, property, facilities, records, equipment, rights and powers of the creating governmental entity or any participating governmental entity, and subject to such terms and conditions as may be agreed upon;

(11) To enter such lands, waters or premises as in the judgement of the authority may be necessary for the purpose of making surveys, soundings, borings and examinations to accomplish any purpose authorized by this chapter, the authority to be liable for actual damage done;

(12) To designate an independent certified public accountant firm to do an annual audit of all books, accounts and records of the authority and issue a public report thereon;

(13) To contract debts for the construction of any treatment works or for the authority's share of the cost of any jointly-owned treatment works, to contract debts in order to make grants, donations, reimbursements or loans for the construction of any treatment works, to borrow money, to issue bonds and notes to finance such construction, grant, donation, reimbursement or loan, to provide for the rights of holders of such bonds or notes and to secure such bonds and notes hereinafter provided;

(14) To fix, levy, charge, contract for and collect fees, rents, or other charges for the use of or in connection with any treatment works, and, in the event any agreements with holders of bonds or notes shall have been made, levy, fix and collect such fees, rents and other charges in accordance with and subject to such agreements. Such fees, rents, and other charges may also include any revenues derived from a lease, contract or agreement with the creating governmental entity, a participating governmental entity, a municipality, county, utility district, water authority, person, firm, corporation, business entity, the state, or any agency or instrumentality of the state for the use of or in connection with treatment works;

(15) To perform any powers or duties authorized under this act through, or by means of its own officers, agents, and employees, or by contract with private corporations, firms or individuals;

(16) To enter into contracts and agreements with the creating governmental entity, any participating governmental entity, any municipality, county, utility district, water authority, person, firm, corporation or business entity for the sale of treated water or the treatment of wastewater upon such terms and for such compensation as shall be provided therein;

(17) To exercise any power herein conferred jointly with the creating governmental entity or any one or more participating governmental entities, municipalities, counties, utility districts or water authorities;

(18) To take all actions necessary and proper to comply with or participate in any federal or state promulgated or mandated regional water or wastewater facilities plan; and

(19) To do all things necessary or convenient to carry out the powers expressly given by this act.

SECTION 9. Any extension, relocation, improvement or modification of the authority's water or wastewater treatment plants or distribution facilities shall be referred by the authority to the planning commission having jurisdiction over the area within the extension, relocation, improvement, or modification shall be constructed or extended, but the authority shall not be bound by the vote of any such planning commission, nor by the comments or recommendations of the planning commission.

SECTION 10. The authority shall have the power to condemn either the fee or such right, title, interest, or easement in any property as the board may deem necessary for any of the purposes mentioned in this act, and such property or interest in such property may be so acquired whether or not the same is owned or held for public use by corporations, associations or other persons having the power of eminent domain, or will not be interfered with by such taking. Such power of condemnation may be exercised in the mode or method of procedure prescribed by any applicable statutory provision now in force or thereafter enacted for the exercise of the power of eminent domain.

SECTION 11. The authority shall have the power to borrow money for any of its corporate purposes and issue its revenue bonds therefore, including revenue refunding bonds, in such form and upon such terms as it may determine, and to pledge as security for the payment thereof fees, rents and other charges and any other revenues of the authority, including grants or contributions from the federal government or other sources, which bonds may be sold at public or private sale. Such revenue bonds and/or revenue refunding bonds shall be issued pursuant to the procedures set forth in and shall be governed by the provisions of Tennessee Code Annotated, Title 9, Chapter 21, including provisions dealing with covenants permitted in bond resolutions, security, and remedies of bondholders. "Treatment works" shall be deemed to be a "public works project," as such term is defined in Title 9, Chapter 21. To the extent of any conflict between the provisions of this act and Title 9, Chapter 21, the provisions of Title 9, Chapter 21 shall prevail. Except as provided in Section 13 hereof, bonds of the authority issued pursuant to this act shall not constitute a debt of the creating governmental entity, any participating governmental entity, the state, or any political subdivision thereof, other than the authority, and shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the commissioners of the authority nor any person executing such bonds shall be liable personally thereon by reason of the issuance thereof.

Any bond reciting in substance that has been issued by the authority pursuant to the provisions of this act and for a purpose or purposes authorized to be accomplished by this act shall be conclusively deemed, in any action, suit or proceeding involving the validity or enforceability of the bond or the security thereof, to have been issued pursuant to such provisions and for such purpose or purposes.

Bonds issued by the authority pursuant to the provisions of this act are declared to be issued for an essential public and governmental purpose, and together with interest thereon and income therefrom, shall be exempt from all state, county and municipal taxation except for inheritance, transfer and estate taxes, and except as otherwise provided by applicable Tennessee law.

Bonds of the authority may be issued jointly with the creating governmental entity or one or more participating governmental entities, or one or more municipalities, counties, utility districts or water authorities.

Any pledge of, or security interest in, (i) the revenues, rents, fees or other charges received or receivable by the authority or (ii) any tangible property of the authority to secure the payment of any of its bonds issued pursuant to this act or any other applicable statute and the interest thereon shall be valid and binding and shall take its priority with respect to the other such pledges or security interests from the time the pledge or security interest is made or granted without the recordation of the resolution or instrument by which such pledge or security interest is created any other document evidencing such pledge or security interest.

SECTION 12. Notwithstanding any other provisions of the laws of this state or any of its political subdivisions, any authority which has contracted for and accepted an offer or a grant of federal or state aid or both, for a particular project for which the authority may raise or expend money, may, upon resolution of its board, incur indebtedness in anticipation of the receipt of such aid for the particular project by issuing its notes in the manner and pursuant to the provisions of Tennessee Code Annotated, Title 9, Chapter 21, Parts 1, 4, and 7.

SECTION 13. The creating governmental entity and any participating governmental entity, municipality, county, utility district and water authority shall have all necessary powers in order to further the purposes of this act, including, without limitation, the following, any or all of which powers may be exercised by resolution of its governing body:

- (1) To advance, donate or lend money on real or personal property to the authority;
- (2) To provide that any funds on hand or to become available to it for treatment works purposes shall be paid directly to the authority.
- (3) To sell; lease; dedicate; donate or otherwise convey to the authority any of its interest in any existing treatment works or other related property, or grant easements, licenses or other rights or privileges therein to the authority;
- (4) To enter into agreements with the authority with regard to the transfer of its treatment works employees to the authority with the retention by such employees of any civil service status and accrued rights in pension, disability, hospitalization and death benefits;
- (5) To permits its rights, duties and powers under its charter or the laws of the state to be performed or exercised by the authority;
- (6) To enter into long-term leases or contracts with the authority for such period or duration, not to exceed forty years, as the governing body of such entity may determine for the purpose of obtaining the treatment of water or wastewater. Any such lease or contract may be in the nature of a take-or-pay or minimum payment contract guaranteeing to the authority certain minimum payments over the term of the lease or contract, may be binding upon such entity for the full term thereof and not be limited to the terms of the members of such entity's governing body or be subject to annual appropriations, and may be treated for all purposes as bonds, notes or other indebtedness of such entity, all as shall be provided in the resolutions authorizing such leases or contracts;
- (7) To issue its bonds jointly with the authority for the purposes set forth in this act. Any bonds so issued by any municipality or county shall be authorized and issued in the form and manner prescribed by the applicable provisions of Tennessee Code Annotated, Title 9, Chapter 21, and "treatment works" as used herein shall be deemed to be public works projects as such term is defined in Title 9, Chapter 21. Any bonds issued by a utility district hereunder shall be authorized and issued by such utility district in the form and manner prescribed by applicable provisions of Tennessee Code Annotated, Title 7, Chapter 82. Any bonds issued hereunder by any water authority, other than the authority, shall be authorized and issued pursuant to the applicable provisions of Tennessee Code Annotated, Title 68, Chapter 13, or any other provisions of Tennessee law authorizing it to issue bonds or other obligations. Any bonds upon which the creating governmental entity, any participating governmental entity with general taxing powers, municipality or county is jointly obligated with the authority may be secured by the full faith and credit and taxing powers of such entity as provided in the chapter hereinabove cited; and
- (8) To guarantee the full and timely payment of principal of and interest on any bonds or other obligations of the authority according to such terms and conditions as shall be determined by resolution of the governing body of such entity.

SECTION 14. The authority shall exercise its responsibilities and authorities within the entirety of the territory of Dickson County that has not been specifically designated by the County Executive as the service area of an existing utility district. Additionally, the authority may adopt areas for service in surrounding counties where authorized by the appropriate utility officials and other officials in those counties. In the event the assets of the authority are ever sold into private or investor ownership, the cash generated shall be divided equally between the governments of the City of Dickson and Dickson County.

As amended by: Private Acts of 2001, Chapter 51

SECTION 15. The provisions of this act shall be liberally construed to effect the purposes thereof, and insofar as the provisions of this act may be inconsistent with the provisions of any other law, the provisions of this act shall be controlling.

SECTION 16. If any article, section, subsection, paragraph, or sentence of this act shall be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect or impair any other provisions of this act unless it clearly appears that such other provisions are necessarily dependent upon the article, section, subsection, paragraph, or sentence held to be invalid or unconstitutional. It is the legislative intent in enacting this act that each article, section, subsection, paragraph, and sentence be enacted separately and independently of each other.

SECTION 17.

(a) This act shall have no effect unless it is approved by a two-thirds (2/3) vote of the legislative body of Dickson County. Its approval or nonapproval shall be proclaimed by the presiding officer of the legislative body of Dickson County and certified by him to the Secretary of State.

(b) However, prior to approving the provisions of this act as required in subsection (a), the legislative body of Dickson County shall adopt, and its executive officer shall approve, a resolution calling a public hearing on the question of creating a water and wastewater treatment authority.

The governing body of the creating governmental entity shall adopt, and its executive officer shall approve, the resolution calling a public hearing on the question of creating a water and wastewater treatment authority.

Notice of the date, hour, place, and purpose of such hearing shall be published at least once each week for two (2) consecutive weeks in a newspaper of general circulation in Dickson County, the last such publication to be at least one (1) week prior to the date set for the hearing.

The hearing shall be held before the legislative body and all interested persons shall have an opportunity to be heard. After the hearing, if the legislative body shall determine that the public convenience and necessity require the creation of a water and wastewater treatment authority and shall approve the provisions of this act by a two-thirds (2/3) vote as required by subsection (a), it shall adopt, and its executive officer shall approve, a resolution or ordinance so declaring and creating an authority, which resolution ordinance shall also designate the name and principal office address of the authority. A certified copy of the resolution or ordinance shall be filed with the Secretary of the State of Tennessee, along with the resolution approving the appointment of the board of commissioners as provided for in Section 5 and upon such adoption and filing the authority shall constitute a body politic and corporate, with all the powers hereinafter provided.

SECTION 18. For the purpose of approving or rejecting the provisions of this act, it shall be effective upon becoming a law, the public welfare requiring it. For all other purposes, it shall become effective upon being approved as provided in Section 17.

Passed: January 22, 1990.

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