

CHARTER WATER AUTHORITY ACT (EXCERPT)
Act 4 of 1957

121.13 Bonds; maximum; authorizing resolution, contents.

Sec. 13. For the purpose of constructing, acquiring, improving, enlarging or extending a water supply and transmission system, including the payment of engineering, legal and financing expenses in connection therewith, and after the establishment of the initial rates and the execution of contracts for the sale and purchase of water with each governmental unit within the corporate limits of the authority as provided in sections 9 and 10 of this act, the authority may borrow money and issue its negotiable general obligation bonds for such purpose. The total principal amount of the bonds, at no time, shall exceed 5% of the total state equalized valuation of the combination of governmental units comprising the authority. The bonds shall be issued only after the adoption of a resolution by a 2/3 majority of the total authorized vote. The resolution shall briefly describe the water supply and transmission system to be constructed, acquired, improved or extended, the estimated cost thereof, shall state that contracts for the sale and purchase of water have been entered into with all the governmental units comprising the authority, that initial rates have been established for the sale of water by the authority to the governmental units, the date, maturities and maximum interest rate at which the bonds shall be sold, prior redemption features of the bonds, if any, and an irrevocable pledge on the part of the authority to levy annually the taxes necessary to provide sufficient funds for the payment of principal and interest on the bonds as they mature in the manner authorized by this act. The resolution shall specify such other details and matters as may be deemed necessary or advisable to provide for the prompt and orderly retirement of the bonds and the interest thereon at maturity. Interest for the period of construction of any water supply and transmission system and for 1 year thereafter, and operating expenses of the authority during the construction period and not to exceed 6 months thereafter, may be capitalized and included as a part of any bond issue.

History: 1957, Act 4, Imd. Eff. Mar. 20, 1957.