

# **Bond Case Briefs**

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## **PUBLIC UTILITIES - MISSISSIPPI**

### **Pearl River Valley Water Supply District v. Khalaf**

**Supreme Court of Mississippi - December 9, 2021 - So.3d - 2021 WL 5832307**

After a sinkhole formed on lessee's leasehold, water supply district filed a complaint against lessee to recoup the costs of repairing the sinkhole and for other relief.

The Chancery Court granted lessee's motion to dismiss, and water supply district appealed.

The Supreme Court held that:

- It was proper for water supply district to attach leases to its complaint against lessee;
- It was proper for lessee, who leased land in subdivision, to attach declaration of covenants for subdivision to his motion to dismiss;
- Lessee's recorded lease was the operative document when determining if lessee was responsible for repairing sinkhole; and
- Lessee was not responsible for repairing sinkhole on leasehold pursuant to his lease of land in subdivision.

Lessee was not responsible for repairing sinkhole on leasehold pursuant to his lease of land in subdivision; lessee's lease was recorded, terms of lease were binding on lessee, lessor, and water supply district that entered into development lease with lessor, lessee's property was subject to declaration of covenants for subdivision which reserved to homeowners' association and the district blanket easements for repairing, replacing, and maintaining storm drainage on all property subject to covenants, storm drain pipe's function, as asserted by district, was not to drain surface water from lessee's property, but to drain the entire subdivision through lessee's property into reservoir, and because lessee took the leasehold subject to the covenants reserving storm drainage easements to homeowners' association and district, lessee was not responsible for repairing storm drain pipe installed by developer long before he had entered into the lease.