

STATE OF NEW YORK

8846--A

IN SENATE

January 9, 2026

Introduced by Sen. WEBER -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the public authorities law, in relation to creating the CR clean water and sewer authority

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as
2 the "CR clean water and sewer authority act".

3 § 2. Article 5 of the public authorities law is amended by adding a
4 new title 11-E to read as follows:

TITLE 11-E

CR CLEAN WATER AND SEWER AUTHORITY

Section 1349-a. Definitions.

8 1349-b. Prior sewer district.

9 1349-c. Abolishing the prior sewer district.

10 1349-d. CR clean water and sewer authority.

11 1349-d-1. Additional municipalities joining the authority.

12 1349-e. Powers of the authority.

13 1349-f. Advances on behalf of the authority; transfer of prop-
14 erty to authority.

15 1349-g. Charges by the authority; method of collection.

16 1349-h. County officers and employees.

17 1349-i. Obligation of public utilities.

18 1349-i-1. Municipal and district officers and employees.

19 1349-i-2. Employees of the authority.

20 1349-j. Environmental applications, proceedings, approvals and
21 permits.

22 1349-k. Governmental capacity of the authority and munici-
23 palities.

24 1349-l. Limited liability.

25 1349-m. Bonds of the authority.

26 1349-n. Remedies of bondholders.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD14339-04-6

1349-o. State, county and municipalities not liable on bonds of the authority.

1349-p. Moneys of the authority.

1349-q. Bonds and notes as legal investment.

1349-r. Agreement with the state.

1349-s. Exemption from taxes, assessments and certain fees.

1349-t. Obligations of contracts not impaired.

1349-u. Construction contracts.

1349-v. Actions against the authority.

1349-w. Audit and annual report.

1349-x. Separability clause.

1349-y. Effect of inconsistent provisions.

§ 1349-a. Definitions. As used in this title, unless a different meaning clearly appears from the context:

1. "Alternative project delivery contract" shall mean any project delivery method authorized by this title, including design-build, construction manager at risk and construction manager build, pursuant to which one or more contracts for the provision of design and construction services, or construction management and construction services, are awarded through an open and competitive method of procurement.

2. "Authority" shall mean the public benefit corporation created by section thirteen hundred forty-nine-d of this title.

3. "Authority sewer system" shall mean the prior sewer district system, including any plants, pump stations, collection or project interceptors which was owned by the county, and operated and maintained by the prior sewer district on the date of termination, and any projects made after the date of transfer to the authority, and as expanded pursuant to any agreements with new members.

4. "Bonds" shall mean the bonds, notes or other evidences of indebtedness issued by the authority.

5. "Calendar year and official year" shall mean the twelve-month period from January first through December thirty-first.

6. "Comptroller" shall mean the comptroller of the state of New York.

7. "Construction" shall mean the negotiation, acquisition, erection, building, alteration, improvement, testing, increase, enlargement, extension, reconstruction, interconnection, renovation or rehabilitation of a sewerage facility, sewer system or a project as defined herein; the inspection and supervision thereof; and the engineering, architectural, legal, appraisal, fiscal, economic and environmental investigations, services and studies, surveys, designs, plans, working drawings, specifications, procedures and other actions incidental thereto.

8. "Costs", as applied to any project, shall include the cost of construction, the cost of the acquisition of all property, including both real, personal and mixed, the cost of demolishing, removing or relocating any building or structures on lands so acquired including the cost of acquiring any land to which such buildings or structures may be moved or relocated, the cost of all systems, sewerage facilities, machinery, apparatus and equipment, financing charges and bond discount, interest to the extent not paid or provided for from revenues or other sources, the cost of engineering and architectural surveys, plans and specifications, bond insurance, bond credit enhancement arrangements, other expenses necessary or incidental to the construction of such project and the financing of the construction thereof, including the cost of legal and financial advice and credit arrangements with banks or other financial institutions, the amount authorized in the resolution of the authority providing for the issuance of bonds to be paid into any

1 reserve or special fund from the proceeds of such bonds and the financ-
2 ing of the placing of any project in operation.

3 9. "County" shall mean, unless otherwise specifically stated, the
4 county of Rockland.

5 10. "County legislature" shall mean the county legislature of the
6 county.

7 11. "Governing body" shall mean the members of the authority consti-
8 tuting and acting as the governing board of the authority.

9 12. "Members" shall mean the members of the board of directors.

10 13. "Municipality" shall mean any county, city, town, village,
11 district or any combination thereof.

12 14. "Person" shall mean any natural person, partnership, association,
13 joint venture, limited liability company or corporation, exclusive of a
14 public corporation as defined pursuant to article two-A of the general
15 construction law.

16 15. "Prior sewer district" shall mean the Rockland county sewer
17 district no. 1 heretofore established by the county legislature and
18 existing on the day immediately prior to the effective date of this
19 title with the boundaries set forth as defined in the rules and regu-
20 lations of the Rockland county code, part I - administrative legis-
21 lation, chapter 165-3.

22 16. "Prior sewer district system" shall mean all sewers, including,
23 without limitation, trunk, intercepting, connecting and other sewers,
24 storm water drains, pumping stations, disposal or treatment plants or
25 works, structures, appliances, equipment and other adjuncts thereto,
26 comprising the entire system of sewerage owned by the county and oper-
27 ated and maintained by the prior sewer district at the time of the
28 creation of the authority.

29 17. "Project" shall mean any and all phases of, acquisition, planning,
30 development, financing, construction, operation or maintenance which are
31 undertaken in whole or in part by the authority for the authority sewer
32 system.

33 18. "Project labor agreement" shall mean a pre-hire collective
34 bargaining agreement between a contractor and a bona fide building and
35 construction trade labor organization establishing the labor organiza-
36 tion as the collective bargaining representative for all persons who
37 will perform work on a project, and which provides that only contractors
38 and subcontractors who sign a pre-negotiated agreement with the labor
39 organization can perform project work.

40 19. "Real property" shall mean lands, structures, franchises and
41 interests in lands, waters, lands under water, groundwater riparian
42 rights and air rights and any and all things and rights customarily
43 included within the term "real property" and includes not only fee
44 simple absolute, but also any and all lesser interests including, but
45 not limited to easements, rights-of-way, uses, leases, licenses and all
46 other incorporeal hereditaments and every estate, interest or right,
47 legal or equitable, including terms for years and liens thereon by way
48 of judgment, mortgages or otherwise.

49 20. "Service area" shall mean the territorial limits of the prior
50 sewer district, including any areas outside such territorial limits of
51 the prior sewer district that were served by the prior sewer district
52 and any areas of the county whereby the territorial limits of the prior
53 sewer district have been expanded pursuant to section thirteen hundred
54 forty-nine-d-1 of this title.

55 21. "Sewage" shall mean the water-carried human or animal waste from
56 residences, buildings, industrial establishments or other places,

1 together with such groundwater infiltration, surface water, or indus-
2 trial waste as may be present. Such term includes both domestic sewage
3 and wastewaters that may adversely affect public health, water quality,
4 or the proper functioning of a sewage treatment system.

5 22. "Sewerage facilities" shall mean any plants, structures and other
6 real and personal property acquired, rehabilitated or constructed or
7 planned for the purpose of collecting, conveying, pumping, treating,
8 neutralizing, storing and disposing of sewage, including but not limited
9 to main, trunk, intercepting, connecting, lateral, outlet or other
10 sewers, outfalls, pumping stations, treatment and disposal plants,
11 groundwater recharge basins, back-flow prevention devices, sludge dewatering
12 or disposal equipment and facilities, clarifiers, tilters, phosphorus
13 removal equipment and other plants, works, structures, equipment,
14 vehicles, conveyances, contract rights, franchises, approaches,
15 connections, permits, real or personal property or rights therein and
16 appurtenances thereto necessary or useful and convenient for the
17 collection, conveyance, pumping, treatment, neutralizing, storing and
18 disposing of sewage and to the extent not covered by the foregoing, any
19 facilities operated and maintained by the prior sewer district.

20 23. "State" shall mean the state of New York.

21 24. "State agency" shall mean any state office, public benefit corpo-
22 ration, department, board, commission, bureau or division, or other
23 agency or instrumentality of the state.

24 25. "System revenues" shall mean rates, rents, fees, charges,
25 payments, assessments and other income and receipts derived from users
26 of the sewerage facilities of the authority without limiting the gener-
27 ality of the foregoing, investment proceeds and proceeds of insurance,
28 condemnation sales or other dispositions of assets together with all
29 federal, state or municipal aid as well as any other income derived from
30 the operation of the sewerage facilities of the authority.

31 26. "Treasurer" shall mean the treasurer of the authority.

32 § 1349-b. Prior sewer district. The prior sewer district primarily
33 served the towns of Ramapo and Clarkstown as well as the villages of
34 Hillburn and Sloatsburg. The prior sewer district operated and main-
35 tained the wastewater treatment plants in Orangeburg and Hillburn as
36 well as the major interceptors and pumping stations in the sewer system
37 and, pursuant to a contractual arrangement, all sewers within the
38 villages of Spring Valley, New Square, and sewers serving several
39 parcels in the town of Orangetown.

40 § 1349-c. Abolishing the prior sewer district. Notwithstanding any
41 inconsistent provisions of the county law, the county charter, or any
42 other general, special or local law, the prior sewer district, upon an
43 affirmative vote of the county legislature, is hereby abolished,
44 dissolved and merged into the authority and all of the rights, privi-
45 leges, duties, responsibilities and obligations of the prior sewer
46 district shall become the rights, privileges, duties, responsibilities
47 and obligations of the authority. The prior sewer district system,
48 together with all contracts, books, maps, plans, papers and records of
49 whatever description pertaining to subjects or matters relating to the
50 design, construction, operation and affairs of the prior sewer district
51 system shall be assigned, transferred and dedicated to the use of and be
52 in the possession of and under the jurisdiction, control and supervision
53 of the authority and the authority is empowered to take possession ther-
54 eof for its uses and purposes. The authority shall thereafter have
55 complete jurisdiction, control, possession and supervision of the prior
56 sewer district system and of all related sewerage facilities. Notwith-

standing the provisions of any state or local law to the contrary, the county shall transfer to the authority any funds which were in the prior sewer district's accounts upon dissolution thereof, as well as any prior sewer district fund balance held by the county on behalf of the prior sewer district, or grant recoveries received in connection with assets acquired by the authority from the county, which funds shall be used by the authority for the limited purposes of supporting necessary capital investments, debt service, debt service-related expenses and reserve requirements. The county budget adopted for each fiscal year shall contain a separate section for the authority showing amounts which are anticipated to be necessary for the authority to pay the principal of and interest on any outstanding bonds or notes of the county issued for the prior sewer district. The authority budget adopted each year shall include such principal and interest amounts and the authority shall pay such amounts to the county on an annual basis.

§ 1349-d. CR clean water and sewer authority. 1. A corporation known as the CR clean water and sewer authority is hereby created for the purposes and charged with the duties and having the powers provided in this title. The authority shall be a corporate governmental agency constituting a public benefit corporation and shall be considered a public employer. Upon its formation, the authority shall be governed by a governing body consisting of nine members, all of whom shall be residents of the service area of the authority, except that any member serving ex officio pursuant to this section shall not be subject to such residency requirement, appointed as follows:

- (a) one by the county executive;
- (b) two by the chairperson of the county legislature;
- (c) one by the minority leader of the county legislature;
- (d) the supervisor of the town of Ramapo as an ex officio member of the board;
- (e) two selected by the supervisor of the town of Ramapo subject to the confirmation of the Ramapo town board;
- (f) the supervisor of the town of Clarkstown as an ex officio member of the board;
- (g) one selected by the supervisor of the town of Clarkstown subject to the confirmation of the Clarkstown town board; and
- (h) all ex officio members are voting members of the board.

2. The term of any elected official serving as a member of the authority shall have a term that coincides with such member's term of elective office. At the conclusion of an individual's term of office, an appointing authority may select a new member of that class. For ex officio members, there is no requirement for re-appointment where a single individual serves successive terms in the same elected office. Nothing herein shall be deemed to limit or control the designation or term of any member serving as chairperson or vice-chairperson pursuant to this title.

(a) If new municipalities or districts join the authority in the manner specified in section thirteen hundred forty-nine-d-1 of this title, the authority's board may be reformed and reconstituted by a resolution of the governing body of the authority.

(b) The members of the governing body shall be reimbursed for all of their actual and necessary expenses incurred in connection with the carrying out of the purposes of this title.

(c) Any member of the authority may be removed from office by a vote of five members of the authority for gross neglect of duty, misconduct,

maladministration or malfeasance in office, including the unexcused failure to attend three consecutive regular meetings of the authority.

(d) All members shall continue to hold office until their successors are appointed and qualified.

(e) Vacancies occurring otherwise than by expiration of term shall be filled in the same manner as that of the departing member, respectively, for the unexpired term.

(f) Members may be removed from office for the same reasons and in the same manner as provided by law for the removal of officers of the county, pursuant to section three of the public officers law.

3. The powers of the authority shall be vested in and exercised by the governing body at a meeting duly called and held where a quorum of five members is present. No action shall be taken except by the favorable vote of at least five members. The governing body may delegate to one or more of its members or officers such powers and duties as it may deem proper.

4. (a) The officers of the authority shall consist of a chairperson, a vice-chairperson and a treasurer who shall be members of the authority, and a secretary who need not be a member of the authority. Notwithstanding any other provision of this title, the supervisor of the town of Ramapo shall serve as the first chairperson of the authority, and the supervisor of the town of Clarkstown shall serve as the first vice-chairperson of the authority, each commencing upon the formation of the authority. The initial term of the chairperson and vice-chairperson designated pursuant to subdivision one of this section shall be three years. Following the expiration of the initial term, the offices of chairperson and vice-chairperson shall at all times be held by the supervisors of the town of Ramapo and the town of Clarkstown, respectively, or their successors in office, such that each town shall continuously hold one of such offices. After the expiration of the initial three-year term, the offices of chairperson and vice-chairperson shall rotate between the supervisors of the town of Ramapo and the town of Clarkstown every two years, with each supervisor alternately serving as chairperson and vice-chairperson. In the event that a supervisor serving as chairperson or vice-chairperson ceases to hold the office of supervisor, the successor supervisor shall assume the corresponding position on the authority and shall serve the remainder of the applicable term. The chairperson and vice-chairperson of the authority may receive compensation for their service in such amounts as may be determined from time to time by resolution of the governing body. The governing body may also, in its discretion, authorize compensation for other members of the authority, subject to such terms and conditions as the governing body shall determine. All members shall continue to be eligible for reimbursement of actual and necessary expenses incurred in the performance of their duties.

(b) At the first meeting of the governing body and at the first meeting thereof in each fiscal year thereafter the members of the governing body shall choose from their number the officers of the authority, except for the offices of chairperson and vice-chairperson, which shall be designated and governed in accordance with this section. Except for the offices of chairperson and vice-chairperson, which shall be designed and governed in accordance with this section, the officers of the authority shall serve at the pleasure of the authority. In addition to such officers, the authority may appoint and at its pleasure remove an executive director, authority counsel, chief financial officer, and such other executive level positions as the board may desire, which positions

1 shall be in the exempt class of the civil service, and such additional
2 officers and employees as it may deem necessary, and may determine and
3 fix their qualifications, and duties subject to the provisions of the
4 civil service law. The authority may delegate to one or more of its
5 members, officers, agents or employees any such powers as it may deem
6 proper. The authority may also contract for expert professional services
7 however, the authority shall not contract for professional services that
8 were, prior to the effective date of this chapter, performed by a county
9 or municipal employee unless specifically authorized by law. The treas-
10 urer shall execute a bond conditioned on the faithful performance of the
11 duties of such treasurer's office, the amount and sufficiency of which
12 shall be approved by the governing body and the premium for which shall
13 be paid by the authority. The authority may also use the agents, employ-
14 ees, records and equipment of the county with the consent of the county.

15 5. Notwithstanding any inconsistent provision of any general, special
16 or local law, ordinance, resolution or charter, and subject to and
17 consistent with section thirteen hundred forty-nine-h of this title, no
18 officer, member or employee of the state, any municipality or any public
19 benefit corporation shall forfeit their office or employment by reason
20 of their acceptance of appointment as a member, officer, agent or
21 employee of the authority, nor shall service as a member, officer, agent
22 or employee of the authority be deemed incompatible or in conflict with
23 such office, membership or employment. The members and employees of the
24 authority shall be subject to all requirements of state and county law
25 pertaining to ethics and financial disclosure to which members of the
26 county legislature and employees of the county, respectively, are
27 subject.

28 6. It is hereby determined and declared that the authority and the
29 carrying out of its powers, purposes and duties are in all respects for
30 the benefit of the people of the municipalities within the bounds of the
31 authority and state, for the improvement of their health, welfare and
32 prosperity and that the said purposes are a public purpose and that the
33 authority is and will be performing an essential governmental function
34 in the exercise of the powers conferred upon it by this title.

35 7. The purpose of this title, among other things, is to provide for
36 the jurisdiction, control, possession, supervision and use of the sewer-
37 age facilities; authorization to make rules and regulations in further-
38 ance of this title; the enforcement of this title, the rules, regu-
39 lations, permits and orders of the authority in connection with the
40 direct or indirect use of the sewerage facilities by persons within the
41 county of Rockland and any other persons from whom the authority
42 accepts, treats and disposes of sewage, industrial waste, and other
43 waste, from whatever source derived; and to enable the authority to
44 comply with all applicable laws of the United States and the state of
45 New York, and the rules, regulations, permits and orders of their regu-
46 latory agencies.

47 8. (a) The county executive shall file on or before the twelve-month
48 anniversary of the date on which this title shall have become a law, in
49 the office of the secretary of state, a certificate signed by the county
50 executive setting forth: (i) the name of the authority; (ii) the names
51 of the initial members; and (iii) the effective date of this title. The
52 authority shall be perpetual in duration, except that if such resolution
53 and certificate are not filed with the secretary of state on or before
54 such date, then the power of the legislature of the county to approve
55 the creation of the authority shall thereupon lapse, the authority shall
56 not be deemed to have been created hereby and shall not exist or be

1 deemed to have existed, and the provisions of this title shall no longer
2 have any force or effect.

3 (b) Except as provided in paragraph (a) of this subdivision, the
4 authority and its corporate existence shall continue until terminated by
5 law, provided, however, that no such law shall take effect so long as
6 the authority shall have bonds or other obligations outstanding unless
7 adequate provision has been made for the payment or satisfaction there-
8 of. Upon termination of the authority, all sewerage facilities, rights
9 and property, then remaining shall pass to and then vest in the county.

10 9. Until such time as the authority adopts its own sewer use regu-
11 lations pursuant to section thirteen hundred forty-nine-e of this title,
12 the authority hereby adopts the county sewer use law (laws of Rockland
13 county, chapter three hundred forty-five), with the powers and duties of
14 that law granted to the authority in the place of the prior sewer
15 district.

16 10. All officers and employees of the authority shall be considered
17 public employees.

18 11. The authority shall be subject to the civil service law.

19 12. The authority shall be a participant in the New York state and
20 local employees' retirement system and be authorized to carry out other
21 retirement plans authorized pursuant to the retirement and social secu-
22 rity law, which may be offered to all of its officers and employees not
23 participating in the New York state and local employees' retirement
24 system, and to establish and carry out other incentive and benefit
25 plans, trusts, and provisions for any or all of its officers and employ-
26 ees, subject to the applicable provisions of article fourteen of the
27 civil service law.

28 § 1349-d-1. Additional municipalities joining the authority. A munici-
29 pality that owns a sewer system or sewer collection system, in whole or
30 in part, located either within or outside of the service area, may
31 request that the authority include such sewer system or sewer collection
32 system in the authority sewer system upon a majority vote of the legis-
33 lative body of such municipality. If such request is approved by the
34 authority upon a majority vote of the authority governing body, such
35 municipality's sewer system shall be incorporated into the authority
36 sewer system subject to the provisions of this section. Notwithstanding
37 the foregoing, no incorporation of a municipality located outside the
38 existing service area, and no expansion of the service area of the
39 authority, shall be deemed complete or effective unless and until a
40 revised metes and bounds description reflecting such expansion has been
41 duly adopted. The terms and conditions of such incorporation shall be
42 set forth in an agreement between the municipality and the authority.

43 § 1349-e. Powers of the authority. The authority shall have power:

44 1. To sue and be sued;

45 2. To have a seal and alter the same;

46 3. To accept, treat and dispose of the sewage and waste of municipal
47 corporations in the county of Rockland and from any other persons from
48 whatever source derived;

49 4. To reduce the generation and discharge of sewage, waste and pollu-
50 tants, promote the conservation and efficient use of fresh water
51 resources, protect the environment, and safeguard public health within
52 the county of Rockland;

53 5. To acquire in the name of the authority, hold, sell, lease, mort-
54 gage or otherwise dispose of property, real, personal or mixed, or any
55 interest therein, without limitation, for its corporate purposes. In
56 selecting the location for any real property to be acquired or leased,

1 the authority shall give consideration to the present and any proposed
2 land use character of the area in which such site is to be located and
3 shall be subject to and exempt from the zoning laws or regulations, if
4 any, otherwise generally applicable to such area to the same extent that
5 the county is subject to and exempt from the zoning laws or regulations
6 otherwise generally applicable to such area;

7 6. To prepare or cause to be prepared plans, designs and estimates of
8 costs for the construction of a project, and from time to time to modify
9 such plans, designs or estimates;

10 7. To construct a project and any additions, betterments and exten-
11 sions to the sewerage facilities of the authority by contract or
12 contracts, or under, through, or by means of its own officers, agents
13 and employees;

14 8. To have jurisdiction, control, possession and supervision of the
15 authority sewer system and any project; to maintain, operate, recon-
16 struct and improve the same as a comprehensive sewerage system and to
17 make additions, betterments and extensions thereto, and to have all the
18 rights, privileges and jurisdiction necessary or proper for carrying
19 such power into execution. No enumeration of powers in this or any other
20 general, special or local law shall operate to restrict the meaning of
21 this general grant of power or to exclude other powers comprehended
22 within this general grant;

23 9. To condemn in the name of the authority pursuant to the eminent
24 domain procedure law, any real property within the county and required
25 by the authority to carry out the powers granted by this title;

26 10. To plan, develop and construct projects and to pay the cost there-
27 of and to contract in relation thereto with municipalities or persons
28 within or without the county and to own and operate, maintain, repair,
29 improve, reconstruct, enlarge and extend, subject to the provisions of
30 this title, any of its projects acquired or constructed under this
31 title, and to sell, lease, mortgage, grant a security interest in,
32 pledge, encumber, or otherwise dispose of any project or part thereof to
33 any person, municipality or public corporation, subject to such condi-
34 tions and limitations as the authority may determine to be in the public
35 interest, and to apply for, hold and perform its obligations under any
36 permit, license, approval, or other legal entitlement which may be
37 required for its projects, services or exercise of powers;

38 11. To make rules, regulations and by-laws pertaining to and governing
39 the management and regulation of its affairs and, subject to agreements
40 with bondholders, the use of any project or other property of the
41 authority and the provision of any service by the authority, which
42 rules, regulations and by-laws and all amendments thereto, duly certi-
43 fied by the secretary of the authority, shall be filed in the office of
44 the authority and in the office of the clerk of the county, and to
45 provide for the enforcement of such rules, regulations and by-laws by
46 legal or equitable proceedings which are or may be provided or author-
47 ized by law. In addition, the county legislature shall have power to
48 prescribe that violations of specific rules, regulations and by-laws of
49 the authority shall constitute violations and provide for the enforce-
50 ment of violations thereof by civil penalties, including any such rules,
51 regulations and by-laws requiring the payment of fees or charges by any
52 person in connection with the service or availability or service by any
53 sewerage facility owned or under contract to the authority;

54 12. With the consent of the county executive, to use officers or
55 employees of the county and to pay a proper portion of the compensation
56 or costs for the services for such officers or employees;

1 13. To make contracts and to execute all necessary or convenient
2 agreements, documents and instruments, including evidences of indebt-
3 edness, negotiable or non-negotiable;

4 14. To enter on any lands, waterways or premises as in the judgment of
5 the authority shall be necessary for the purpose of making borings,
6 samples, surveys, soundings and examinations, including the examination
7 of any effluent source, and to accomplish any purpose authorized by this
8 title, any liability for which shall not exceed actual damages;

9 15. To enter upon streets, highways, bridges or public places for the
10 purpose of constructing a project or any part thereof, or any addition,
11 betterment or extension to the sewerage facilities of the authority.
12 Whenever the authority has entered upon and damaged any street, highway,
13 bridge or other public place the authority shall restore the same to its
14 former condition;

15 16. To accept, treat and dispose of the sewage and waste collected or
16 delivered to the authority sewer system;

17 17. To borrow money and to issue bonds and to fund or refund the same,
18 and to provide for the rights of the holders thereof;

19 18. To procure insurance, letters of credit, lines of credit, or other
20 credit enhancement with respect to its bonds or notes issued pursuant to
21 this title, or facilities for the payment of tenders of such bonds or
22 notes or facilities for the payment upon maturity of short-term notes
23 not renewed;

24 19. To enter into interest rate exchange or similar arrangements with
25 any person under such terms and conditions as the authority may deter-
26 mine including, without limitation, provisions as to default or early
27 termination and indemnification by the authority or any other party
28 thereto for loss of benefits as a result thereof;

29 20. To fix and collect rates, rentals, fees and other charges for the
30 use of the sewerage facilities of, or services provided by, or any
31 commodities furnished by, the authority, and to contract with any muni-
32 cipality in respect thereto, so as to provide revenues sufficient at all
33 times to pay, as the same shall become due, the principal and interest
34 on the bonds of the authority, together with the maintenance of proper
35 reserves therefor, in addition to paying, as the same shall become due,
36 the expenses of operating and maintaining the properties and business of
37 the authority and meeting all of its contractual and other obligations,
38 together with proper reserves for debt service, depreciation, mainte-
39 nance and contingencies and all other obligations and indebtedness of
40 the authority;

41 21. To enter into agreements, in its direction, to pay annual sums in
42 lieu of taxes to any municipality in respect to any real property which
43 is owned by the authority and located in such municipality, political
44 subdivision or taxing district;

45 22. To accept gifts, grants, loans or contributions from the United
46 States, the state or any agency or instrumentality of either of them, or
47 any municipality or from any person or public corporation, by bequest or
48 otherwise, and to expend the proceeds for any corporate purposes of the
49 authority;

50 23. To covenant and consent that the interest on any of its bonds or
51 notes issued pursuant to this title shall be includible, under the
52 United States Internal Revenue Code of 1986, as amended, or any subse-
53 quent corresponding internal revenue law of the United States, in gross
54 income of the holder of the bonds or notes to the same extent and in the
55 same manner that the interest on bills, bonds, notes or other obli-
56 gations of the United States is includible in the gross income of the

1 holders thereof under said Internal Revenue Code or any such subsequent
2 law;

3 24. To enter into contracts, and carry out the terms thereof, for the
4 wholesale provision of sewerage disposal with municipalities and private
5 individuals or corporations; however, the authority shall not outsource,
6 privatize, or in any other way diminish work that was, prior to the
7 effective date of this section, performed by a county or municipal
8 employee unless specifically authorized by law.

9 25. To enter into cooperative agreements with other authorities, muni-
10 cipalities, sewer districts and other public corporations for the inter-
11 connection of sewerage facilities, the exchange or interchange of
12 services and commodities and, within the service area, enter into
13 contracts for the construction and operation and maintenance of all or a
14 portion of the authority sewer system, upon such terms and conditions as
15 shall be determined to be reasonable including but not limited to the
16 reimbursement of all costs of such construction, or for any other lawful
17 purposes necessary or desirable to effect the purposes of this title;
18 and

19 26. To do all things necessary or convenient to carry out the powers
20 expressly given in this title.

21 § 1349-f. Advances on behalf of the authority; transfer of property to
22 authority. 1. The county or any other municipality may give, grant,
23 sell, convey, loan, license the use of or lease to the authority any
24 property or facility which is useful to the authority in order to carry
25 out its powers under this title; provided, however, that any such trans-
26 fer of property shall be upon such terms and conditions and subject to
27 the rights of the holders of any bonds, as the authority and the county
28 or other municipality may agree. The county or any other municipality
29 shall have the power to contract with the authority to carry out the
30 purposes and intent of this title.

31 2. Notwithstanding the provisions of any other law, general, special
32 or local to the contrary, real property acquired by the authority or the
33 county from the state may be used for any corporate purpose of the
34 authority.

35 3. Nothing in this section shall result in the displacement of any
36 currently employed county or municipal worker or the loss of position,
37 including partial displacement such as reduction in the hours of non-ov-
38 ertime, wages or employment benefits, or result in the impairment of
39 existing contracts for services or collective bargaining rights pursuant
40 to existing agreements. No services or work on any property given,
41 granted, sold, conveyed, loaned, licensed, or leased to the authority
42 currently performed by public employees or future work that is similar
43 in scope and nature to the work being currently performed by public
44 employees shall be contracted out or privatized by the county, muni-
45 city or public authority. All such future work shall be performed by
46 public employees.

47 § 1349-g. Charges by the authority; method of collection. 1. The
48 authority may fix, impose, and collect, on any equitable basis, rates,
49 rentals, fees and other charges for the use of the authority sewer
50 system or services provided by the authority, including the availability
51 of any of the foregoing from the authority. Such rates, rentals, fees
52 and other charges may be fixed, imposed, and collected from any person
53 to whom such sewerage facilities or services are provided by or made
54 available from the authority. In any instance where the county is or
55 would be required by law, to conduct a public hearing in connection with
56 a rate, rental, fee or other charge, the authority shall not establish,

1 fix, or revise any classification of user or service recipient, rate,
2 rental, fee or other charge unless and until the authority has held a
3 public hearing at which interested persons have had an opportunity to be
4 heard concerning the same; provided however, that if the county has
5 conducted a public hearing in connection with such rate, rental, fee or
6 other charge, the authority shall not be required to hold a public hear-
7 ing. Notice of any such public hearing shall be published at least ten
8 days before the date set therefor, in at least one newspaper of general
9 circulation in the county. Such notice shall set forth the date, time
10 and place of such hearing and shall include a brief description of the
11 matters to be considered at such meeting. A copy of the notice shall be
12 available for inspection by the public. At any such hearing, any inter-
13 ested persons shall have an opportunity to be heard concerning the
14 matters under consideration. Any decision by the authority at such
15 public hearing shall be in writing and be made available in the office
16 of the authority for public inspection during regular office hours.

17 2. Notwithstanding any other law to the contrary, all rates, rentals,
18 fees and other charges for the use of the authority sewer system or
19 services provided or made available by the authority may be imposed upon
20 all properties where services are made available, placed on the annual
21 tax rolls of the respective municipalities as a separate item under the
22 heading "sewer disposal charge," and collected and are paid to the
23 authority in the same manner as the real property taxes of the various
24 municipalities located within the county are collected and paid to such
25 municipalities. Such amounts, when collected by the several municipal
26 collectors or receivers of taxes, shall be paid over to the county. A
27 list of those properties within each respective municipality upon which
28 the sewer disposal charge shall be imposed for the upcoming year shall
29 be established on or before the first day of December in each year. All
30 rates, rentals, fees and other charges for the use or availability of
31 the authority sewer system or services provided by the authority shall
32 be a lien upon the real property upon which, or in connection with
33 which, services are provided or made available, as and from the first
34 date fixed for payment of such rates, rentals, fees and other charges.
35 Any such lien shall have the same priority and superiority as the lien
36 of the general tax of the county. All of the provisions of the tax law
37 of the state governing enforcement and collection of taxes or assess-
38 ments for special improvements not inconsistent herewith shall apply to
39 the collection of such rates, rentals, fees and other charges.

40 § 1349-h. County officers and employees. 1. Any individual who is an
41 officer or employee of the county employed by the county in a position
42 funded by the 'G' fund of the county budget as of the date of the forma-
43 tion of the authority, shall remain an employee of the county and shall
44 continue to work in the same or similar capacity. Such individuals
45 shall be known as "legacy employees".

46 2. Both the county and the authority shall be bound by all collective
47 bargaining agreements in effect as of the effective date of this title
48 and be bound by any and all successor agreements between the county and
49 the employee organization representing legacy employees. All benefits
50 provided to the legacy employees, pursuant to county resolution, law,
51 policy, or past practices shall continue to be provided to the legacy
52 employees.

53 3. All salaries, compensation, other remuneration, cost of benefits,
54 of any kind or type, provided to legacy employees by the county shall be
55 paid by the county, as currently, and shall be reimbursed by the author-
56 ity.

1 4. There shall be no layoffs of any officers or employees of the coun-
2 ty which are a direct consequence of the enactment of this title.
3 There shall be a presumption that any layoffs occurring more than sixty
4 months after the date of their participation described in this subdivi-
5 sion shall be deemed not to be such a direct consequence.

6 § 1349-i. Obligation of public utilities. Wherever railroad tracks,
7 street railroad tracks, gas pipes, telephone wires, telegraph wires,
8 electric light or power wires, or conduits for carrying telephone, tele-
9 graph or electric wires, or other structures of any public service
10 corporation, extend in, along or across any part of the work authorized
11 by this title, it shall be and become the duty of the corporation owning
12 or using such tracks, pipes, wires or conduits, or other structures, to
13 make such changes in the same, at its own expense, as may be required
14 during the construction of the improvement provided for in this title,
15 and to construct or rebuild and maintain at its own expense its tracks,
16 pipes, wires or conduits and structures over or along the work by this
17 title authorized and constructed or in the process of construction in
18 pursuance thereof.

19 § 1349-i-1. Municipal and district officers and employees. 1. Any
20 individual who is an officer or employee of a municipality or district
21 in a position involving the operation, maintenance, or administration of
22 a sewer system or sewage collection system prior to the effective date
23 of this section, or any individual who is an officer or employee of a
24 municipality or district in a position involving the operation, mainte-
25 nance, or administration of a sewer system or sewage collection system
26 as of the date immediately preceding the incorporation of such muni-
27 cipality pursuant to section thirteen hundred forty-nine-d-1 of this title
28 shall remain an employee of such municipality or district and shall
29 continue to work in the same or similar capacity. Such individuals shall
30 be known as "legacy employees".

31 2. Both the municipality or district and the authority shall be bound
32 by all collective bargaining agreements in effect as of the effective
33 date of this title and any and all successor agreements between the
34 municipality or district and legacy employees. Additionally, any bene-
35 fits provided to the legacy employees pursuant to resolution, law, poli-
36 cy, or past practices, shall continue to be provided to the legacy
37 employees.

38 3. All salaries, compensation, other remuneration, and costs of bene-
39 fits, of any kind or type, provided to legacy employees by the muni-
40 cipality or district shall be paid by the municipality or district, as
41 currently, and shall be reimbursed by the authority.

42 4. There shall be no layoffs of any officers or employees of any muni-
43 cipality or district that becomes a participant in this authority which
44 are a direct consequence of the enactment of this title. There shall be
45 a presumption that any layoffs occurring more than sixty months after
46 the date of their participation described in this subdivision shall be
47 deemed not to be such a direct consequence.

48 § 1349-i-2. Employees of the authority. 1. Authority employees hired
49 by the authority shall be considered public employees.

50 2. Authority employees shall be placed in an appropriate bargaining
51 unit with representation maintained by the recognized collective
52 bargaining agent representing the majority of employees of the county as
53 of the effective date of the creation of the authority.

54 § 1349-j. Environmental applications, proceedings, approvals and
55 permits. 1. Any application in relation to the purposes of or contem-
56 plated by this title heretofore filed, or any proceeding heretofore

1 commenced, by the county or any agency thereof with the state department
2 of environmental conservation, the department of transportation or any
3 other state agency or instrumentality or with the United States environ-
4 mental protection agency or any other federal agency or instrumentality
5 shall inure to and for the benefit of the authority to the same extent
6 and in the same manner as if the authority had been a party to such
7 application or proceeding from its inception, and the authority shall be
8 deemed a party thereto, to the extent not prohibited by any federal law.
9 Any license, approval, permit or decision heretofore or hereafter issued
10 or granted pursuant to or as a result of any such application or
11 proceeding shall inure to the benefit of and be binding upon the author-
12 ity and shall be assigned and transferred by the municipalities served
13 by the authority or any agency thereof to the authority, unless such
14 assignment and transfer is prohibited by federal law.

15 2. All such applications, proceedings, licenses, approvals, permits
16 and decisions shall further inure to and be for the benefit of and be
17 binding upon any person leasing, acquiring, constructing, maintaining,
18 using or occupying any facility financed in whole or in part by the
19 authority.

20 § 1349-k. Governmental capacity of the authority and municipalities.
21 The county, other municipalities within the county and the authority in
22 carrying out the respective powers and duties under this title shall be
23 deemed to be acting in a governmental capacity. The construction, oper-
24 ation and maintenance of any project financed in whole or in part by the
25 authority shall be deemed to be the performance of an essential govern-
26 mental function by the authority acting in its governmental capacity,
27 whether such project shall be owned or operated by the authority or by
28 any person or other public corporation.

29 § 1349-l. Limited liability. Neither the members of the authority, nor
30 any municipality, officer or employee acting on behalf of the authority,
31 while acting within the scope of their authority, shall be subject to
32 any personal liability resulting from the construction, maintenance or
33 operation of any of the properties of the authority or from carrying out
34 any of the powers expressly given in this title; provided however, that
35 this section shall not be held to apply to any independent contractor.

36 § 1349-m. Bonds of the authority. 1. The authority shall have the
37 power and is hereby authorized from time to time to issue bonds or notes
38 in such principal amounts as it may determine to be necessary to pay the
39 cost of any project or for any other corporate purpose, including inci-
40 dental expenses in connection therewith. The authority shall have power
41 and is hereby authorized to enter into such agreements and perform such
42 acts as may be required under any applicable federal legislation to
43 secure a federal guarantee of any bonds. The authority shall have power
44 from time to time to refund any bonds by the issuance of new bonds
45 whether the bonds to be refunded have or have not matured, and may issue
46 bonds partly to refund bonds then outstanding and partly for any other
47 corporate purpose. Bonds issued by the authority may be general obli-
48 gations secured by the faith and credit of the authority or may be
49 special obligations payable solely out of particular revenues or other
50 moneys as may be designated in the proceedings of the authority under
51 which the bonds shall be authorized to be issued and subject to any
52 agreements with the holders of outstanding bonds pledging any particular
53 revenues or moneys. The authority may also enter into loan agreements,
54 lines of credit and other security agreements and obtain for or on its
55 behalf letters of credit in each case for securing its bonds or to

1 provide direct payment of any costs which the authority is authorized to
2 pay.

3 2. Bonds shall be authorized by resolution of the authority, be in
4 such denominations, bear such date or dates and mature at such time or
5 times as such resolution shall provide, except that notes and any
6 renewals thereof shall mature within five years from the date of the
7 original issuance and bonds and any renewals thereof shall mature within
8 thirty years from the date of the original issuance of any such bonds or
9 notes. The bonds and notes shall be subject to such terms of redemption,
10 bear interest at such rate or rates payable at such times, be in regis-
11 tered form, be executed in such manner, be payable in such medium of
12 payment at such place or places, and be subject to such terms and condi-
13 tions as such resolution may provide. Bonds may be sold at public or
14 private sale for such price or prices as the authority shall determine.
15 Bonds of the authority shall not be sold by the authority at private
16 sale unless such sale and the terms thereof have been approved in writ-
17 ing by the state comptroller where such sale is not to be to such comp-
18 troller, or by the state director of the budget where such sale is to
19 said comptroller. The authority may pay all expenses, premiums and
20 commissions which it may deem necessary or advantageous in connection
21 with the issuance and sale of bonds.

22 3. Any resolution or resolutions authorizing bonds or any issue of
23 bonds may contain provisions which may be a part of the contract with
24 the holders of the bonds thereby authorized as to:

25 (a) pledging all or any part of the revenues, other moneys or property
26 of the authority to secure the payment of the bonds, including but not
27 limited to, any assets, contracts, investment securities, earnings or
28 proceeds of any grant to the authority received from any private or
29 public source, subject to such agreements with bondholders as may then
30 exist;

31 (b) the setting aside of reserves and the creation of sinking funds
32 and the regulation and disposition thereof;

33 (c) limitations on the purpose to which the proceeds from the sale of
34 bonds may be applied;

35 (d) the rates, rents, fees and other charges to be fixed and collected
36 by the authority and the amount to be raised in each year thereby and
37 the use and disposition of revenues;

38 (e) limitations on the right of the authority to restrict and regulate
39 the use of a project or part thereof in connection with which bonds are
40 issued;

41 (f) limitations on the issuance of additional bonds, the terms upon
42 which additional bonds may be issued and secured and the refunding of
43 outstanding or other bonds;

44 (g) the procedure, if any, by which the terms of any contract with
45 bondholders may be amended or abrogated, the amount of bonds the holders
46 of which must consent thereto, and the manner in which such consent may
47 be given;

48 (h) the creation of special funds into which any revenues or moneys
49 may be deposited;

50 (i) the terms and provisions of any trust, deed or indenture securing
51 the bonds under which the bonds may be issued;

52 (j) vesting in a trustee or trustees such properties, rights, powers
53 and duties in trust as the authority may determine, which may include
54 any or all of the rights, powers and duties of the trustees appointed by
55 the bondholders pursuant to section thirteen hundred forty-nine-h of
56 this title and limiting or abrogating the rights of the bondholders to

1 appoint a trustee under such section or limiting the rights, duties and
2 powers of the trustee;

3 (k) defining the acts or omissions to act which may constitute a
4 default in the obligations and duties of the authority to the bondhold-
5 ers and providing for the rights and remedies of the bondholders in the
6 event of such default, including as a matter of right the appointment of
7 a receiver, provided, however, that such rights and remedies shall not
8 be inconsistent with the general laws of the state and other provisions
9 of this title;

10 (l) limitations on the power of the authority to sell or otherwise
11 dispose of any project or any part thereof;

12 (m) limitations on the amount of revenues and other moneys to be
13 expended for operating, administrative or other expenses of the authori-
14 ty;

15 (n) the payment of the proceeds of bonds, revenues and other moneys to
16 a trustee or other depository and for the method of disbursement thereof
17 with such safeguards and restrictions as the authority may determine;
18 and

19 (o) any other matters of like or different character which in any way
20 affect the security or protection of the bonds or the rights and reme-
21 dies of bondholders.

22 4. In addition to the powers herein conferred upon the authority to
23 secure its bonds, the authority shall have power in connection with the
24 issuance of bonds to enter into such agreements as the authority may
25 deem necessary, consistent or desirable concerning the use of disposi-
26 tion of its revenues or other moneys or property, including the mortgag-
27 ing of any property and the entrusting, pledging or creation of any
28 other security interest in any such revenues, moneys or property and the
29 doing of any act (including refraining from doing any act) which the
30 authority would have the right to do in the absence of such agreements.
31 The authority shall have power to enter into amendments of any such
32 agreements within the powers granted to the authority by this title and
33 to perform such agreements. The provisions of any such agreements may be
34 made a part of the contract with the holders of bonds of the authority.

35 5. Any provision of the uniform commercial code to the contrary
36 notwithstanding, any pledge of or other security interest in revenues,
37 moneys, accounts, contract rights, general intangibles or other personal
38 property made or created by the authority shall be valid, binding and
39 perfected from the time when such pledge is made or other security
40 interest attaches without any physical delivery of the collateral or
41 further act, and the lien of any such pledge or other security interest
42 shall be valid, binding and perfected against all parties having claims
43 of any kind in tort, contract or otherwise against the authority irre-
44 spective of whether or not such parties have notice thereof. No instru-
45 ment by which such a pledge or security is created nor any financing
46 statement need be recorded or filed.

47 6. Whether or not the bonds are of such form and character as to be
48 negotiable instruments under the terms of the uniform commercial code,
49 the bonds are hereby made negotiable instruments within the meaning of
50 and for all the purposes of the uniform commercial code, subject only to
51 the provisions of the bonds for registration.

52 7. Neither the members of the authority nor any person executing bonds
53 shall be liable personally thereon or be subject to any personal liabil-
54 ity or accountability by reason of the issuance thereof.

55 8. The authority, subject to such agreements with bondholders as then
56 may exist, shall have power out of any moneys available therefor to

purchase bonds of the authority, which shall thereupon be cancelled, at a price not exceeding (a) if the bonds are then redeemable, the redemption price then applicable, plus accrued interest to the next interest payment date or (b) if the bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the bonds become subject to redemption plus accrued interest to the next interest payment date.

§ 1349-n. Remedies of bondholders. Subject to any resolution or resolutions adopted pursuant to subdivision three of section thirteen hundred forty-nine-m of this title:

1. In the event that the authority shall default in the payment of principal of or interest on any issue of bonds after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the authority shall fail or refuse to comply with the provisions of this title or shall default in any agreement made with the holders of any issue of bonds, the holders of twenty-five percent in aggregate principal amount of the bonds of such issue then outstanding, by instrument or instruments tiled in the office of the clerk of the county and proved or acknowledged in the same manner as deed to be recorded, may appoint a trustee to represent the holders of such bonds for the purpose herein provided.

2. Such trustee may and, upon written request of the holders of twenty-five per centum in principal amount of such bonds outstanding, shall in such trustee's own name:

(a) by action or proceeding in accordance with the civil practice law and rules, enforce all rights of the bondholders, including the right to require the authority to collect rents, rates, fees and charges adequate to carry out any agreement as to, or pledge of, such rents, rates, fees and charges and to require the authority to carry out any other agreements with the holders of such bonds to perform its duties under this title;

(b) bring an action or proceeding upon such bonds;

(c) by action or proceeding, require the authority to account as if it were the trustee of an express trust for the holders of such bonds;

(d) by action or proceeding, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds; and

(e) declare all such bonds due and payable, and if all defaults shall be made good, then with the consent of the holders of twenty-five per centum of the principal amount of such bonds then outstanding, to annul such declaration and its consequences.

3. Such trustee shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of bondholders in the enforcement and protection of their rights.

4. The supreme court shall have jurisdiction of any action or proceeding by the trustee on behalf of such bondholders. The venue of any such action or proceeding shall be laid in the county.

5. Before declaring the principal of bonds due and payable, the trustee shall first give thirty days' notice in writing to the authority.

6. Any such trustee, whether or not the issue of bonds represented by such trustee has been declared due and payable, shall be entitled as of right to the appointment of a receiver of any part or parts of the project, the revenues of which are pledged for the security of the bonds of such issue, and such receiver may enter and take possession of such part or parts of the project and, subject to any pledge or agreement

1 with holders of such bonds, shall take possession of all moneys and
2 other property derived from such part or parts of the project and
3 proceed with any construction thereon or the acquisition of any proper-
4 ty, real or personal, in connection therewith that the authority is
5 under obligation to do, and to operate, maintain and reconstruct such
6 part or parts of the project and collect and receive all revenues there-
7 after arising therefrom subject to any pledge thereof or agreement with
8 bondholders relating thereto and perform the public duties and carry out
9 the agreements and obligations of the authority under the direction of
10 the court. In any suit, action or proceeding by the trustee the fees,
11 counsel fees and expenses of the trustee and of the receiver, if any,
12 shall constitute taxable disbursements and all costs and disbursements
13 allowed by the court shall be a first charge on any revenues derived
14 from the project.

15 7. The county is authorized to pledge to and agree with the holders of
16 the bonds that the county will not limit or impair the rights hereby
17 vested in the authority to purchase, construct, maintain, operate,
18 repair, improve, increase, enlarge, extend, reconstruct, renovate, reha-
19 ilitate or dispose of any project, or any part or parts thereof, for
20 which bonds or notes of the authority shall have been issued, to estab-
21 lish and collect rates, rents, fees and other charges referred to in
22 this title and to fulfill the terms of any agreements made with the
23 holders of the bonds or notes or with any public corporation or person
24 with reference to such project or part thereof, or in any way impair the
25 rights and remedies of the bondholders, until the bonds, together with
26 interest thereon, with interest on any unpaid installments of interest
27 and all costs and expenses in connection with any action or proceeding
28 by or on behalf of the bondholders are fully met and discharged.

29 § 1349-o. State, county and municipalities not liable on bonds of the
30 authority. Neither the state, county nor any other municipality or
31 public corporation shall be liable on the bonds of the authority and
32 such bonds shall not be a debt of the state, county or any other munici-
33 pality or public corporation, and such bonds shall contain, on the face
34 thereof, a statement to such effect.

35 § 1349-p. Moneys of the authority. All moneys of the authority from
36 whatever source derived shall be paid to the treasurer of the authority
37 and shall be deposited forthwith in interest bearing accounts in a bank
38 or banks in the state designated by the governing body. The moneys in
39 such accounts shall be paid out by the treasurer, upon requisition by
40 the governing body or of such other person or persons as the governing
41 body may authorize to make such requisitions. All deposits of such
42 moneys shall be secured by obligations of the United States and the
43 state of New York of a market value equal at all times to the amount on
44 deposit and all banks and trust companies are authorized to give such
45 security for such deposits. The authority shall have power, notwith-
46 standing the provisions of this section, to contract with the holders of
47 any bonds, as to the custody, collection, security, investment and
48 payment of any moneys of the authority or any moneys held in trust or
49 otherwise for the payment of bonds or in any way to secure bonds, and to
50 carry out any such contract notwithstanding that such contract may be
51 inconsistent with the provisions of this section. Moneys held in trust
52 or otherwise for the payment of bonds, or in any way to secure bonds,
53 and deposits of such moneys may be secured in the same manner as moneys
54 of the authority and all banks and trust companies are authorized to
55 give such security for such deposits. Any moneys of the authority not
56 required for immediate use or disbursement may, at the discretion of the

1 authority, be invested in those obligations specified pursuant to the
2 provisions of section ninety-eight-a of the state finance law, as
3 amended from time to time. Subject to the provisions of any contract
4 with bondholders and with the approval of the comptroller, the authority
5 shall prescribe a system of accounts.

6 § 1349-q. Bonds and notes as legal investment. The bonds of the
7 authority are hereby made securities in which all public officials and
8 bodies of the state and all municipalities, all insurance companies and
9 associations and other persons carrying on an insurance business, all
10 banks, bankers, trust companies, savings banks and savings associations,
11 including savings and loan associations, investment companies and other
12 persons carrying on a banking business, and administrators, guardians,
13 executors, trustees and other fiduciaries and all other persons whatso-
14 ever, who are now or may hereafter be authorized to invest in bonds or
15 notes, or other obligations of the state may properly and legally invest
16 funds including capital in their control or belonging to them. The bonds
17 and notes are also hereby made securities which may be deposited with
18 and may be received by all public officers and bodies of this state and
19 all municipalities for any purposes for which the deposit of bonds or
20 notes or other obligations of this state is now or hereafter may be
21 authorized.

22 § 1349-r. Agreement with the state. The state does hereby pledge to
23 and agree with the holders of any bonds or notes issued by the authority
24 pursuant to this title that the state will not alter or limit the rights
25 hereby vested in the authority to purchase, construct, maintain, oper-
26 ate, repair, improve, increase, enlarge, extend, reconstruct, renovate,
27 rehabilitate or dispose of any project, or any part or parts thereof,
28 for which bonds of the authority shall have been issued, to establish
29 and collect rates, rents, fees and other charges referred to in this
30 title to fulfill the terms of any agreement made with or for the benefit
31 of the holders of bonds or notes or with any public corporation or
32 person with reference to such project or part thereof, or in any way to
33 impair the rights and remedies of bondholders until the bonds or notes,
34 together with the interest thereon, including interest on any unpaid
35 installments of interest and all costs and expenses in connection with
36 any action or proceeding by or on behalf of such holders, are fully met
37 and discharged, provided, however, that this section shall not be
38 construed to limit in any manner, the ability of the state to alter,
39 amend or enforce laws or regulations to protect public health and the
40 environment. The authority is authorized to include this pledge and
41 agreement of the state in any agreement with bondholders.

42 § 1349-s. Exemption from taxes, assessments and certain fees. 1. It
43 is hereby determined that the creation of the authority and the carrying
44 out of its corporate purposes is in all respects for the benefit of the
45 people of the county within the boundaries of the service area and the
46 state and is a public purpose and the authority shall be regarded as
47 performing a governmental function in the exercise of the powers
48 conferred upon it by this title and shall not be required to pay any
49 taxes, special ad valorem levies or special assessments upon any proper-
50 ty owned by it or under its jurisdiction, control or supervision or upon
51 its activities or any filing, recording, or transfer fees or taxes in
52 relation to instruments filed, recorded or transferred by it or on its
53 behalf. The construction, use, occupation or possession of any property
54 owned by the authority including improvements thereon, by any person or
55 public corporation under a lease, lease and sublease or any other agree-
56 ment shall not operate to abrogate or limit the foregoing exemption,

1 notwithstanding that the lessee, user, occupant or person in possession
2 shall claim ownership for federal income tax purposes. Mortgages made or
3 financed, directly or indirectly, by the authority shall be exempt from
4 the mortgage recording taxes imposed by article eleven of the tax law.
5 The authority shall be deemed a public authority for the purposes of
6 section four hundred twelve of the real property tax law.

7 2. Any bonds issued pursuant to this title together with the income
8 therefrom as well as the property of the authority shall be exempt from
9 taxes, except for transfer and estate taxes. The revenues, moneys and
10 all other property and all transactions and activities of the authority
11 shall be exempt from all taxes and governmental fees or charges, whether
12 imposed by the state or any municipality, including without limitation
13 real estate taxes, franchise taxes, sales taxes or other excise taxes.
14 The state hereby covenants with the purchasers and with all subsequent
15 holders and transferees of bonds issued by the authority pursuant to
16 this title, in consideration of the acceptance of any payment of the
17 bonds, that the bonds of the authority issued pursuant to this title and
18 the income therefrom and all revenues, moneys, and other property
19 pledged to secure the payment of such bonds shall at all times be free
20 from taxation except for transfer and estate taxes.

21 § 1349-t. Obligations of contracts not impaired. All contracts of the
22 county in respect of the prior sewer district or any part thereof shall
23 be binding upon the authority with the same force and effect as though
24 such contracts had been expressly assumed by the authority and such
25 contracts shall inure to the benefit of the authority with the same
26 force and effect as though such contracts had been expressly assigned to
27 the authority.

28 § 1349-u. Construction contracts. 1. All contracts or orders for work,
29 material or supplies performed or furnished in connection with
30 construction shall be awarded by the authority pursuant to resolution of
31 the governing body except as hereinafter provided. In any construction
32 contract, the authority may provide a program for the payment of damages
33 for delays and incentive awards in order to encourage timely project
34 completion. An action, suit or proceeding contesting the validity of a
35 contract awarded pursuant to this section, or the validity of the proce-
36 dures relating to such award, shall be governed by the provisions of
37 subdivision six of section one hundred twenty-w of the general municipal
38 law and the term "municipality" as used in such subdivision six shall
39 mean the authority.

40 2. The person whose bid or proposal is accepted shall give security
41 for the faithful performance of the contract, and such other security as
42 the authority may require, and may be required to maintain any
43 construction done under the contract for such period as shall be stipu-
44 lated, all in the manner prescribed and required by the authority and
45 the sufficiency of such security shall, in addition to the justification
46 and acknowledgement, be approved by the authority. All bids or proposals
47 shall be publicly opened by the governing body or its duly authorized
48 agent. If the person whose bid or proposal has been accepted after
49 advertising shall neglect or refuse to accept the contract within five
50 days after written notice that the contract has been awarded to such
51 person on such person's bid or proposal or if such person accepts but
52 does not execute the contract and give proper security, the authority
53 shall have the right to declare such person's deposit forfeited. In case
54 any work shall be abandoned by any contractor, the authority may, if it
55 determines that the public interest is thereby served, adopt on behalf
56 of the authority any or all subcontracts made by such contractor for

1 such work and all such subcontractors shall be bound by such adoption if
2 made. No bid or proposal shall be accepted from or any contract awarded
3 to any person or corporation who is in arrears to the authority or the
4 county upon any obligation of the authority or of the county. Every
5 contract shall be executed in duplicate, one copy of which shall be held
6 by the authority and one copy of which shall be delivered to the
7 contractor. The authority may adopt, utilize, ratify and confirm any
8 request for proposals, invitation for sealed bids, plans, specifications
9 and notices heretofore or hereafter published by the county with respect
10 to any proposed project. The provisions of this section shall supersede
11 any inconsistent provisions of the general municipal law, or any other
12 general, special or local law, or the charter of the county. The author-
13 ity shall be deemed an authority for the purpose of section twenty-eight
14 hundred seventy-eight of this chapter. For the purposes of article
15 fifteen-A of the executive law only, the authority shall be deemed a
16 state agency as that term is used in such article, and its contracts for
17 design, construction, services and materials shall be deemed state
18 contracts within the meaning of that term as set forth in such article.

19 3. A project labor agreement shall be included in a project, provided
20 that, based upon a study done by or for the authority, the authority
21 determines that its interest in obtaining the best work at the lowest
22 possible price, preventing favoritism, fraud and corruption, and other
23 considerations such as the impact of delay, the possibility of cost
24 savings advantages, and any local history of labor unrest, are best met
25 by requiring a project labor agreement. The authority shall conduct such
26 a study and a project labor agreement shall be performed consistent with
27 the provisions of section two hundred twenty-two of the labor law.

28 4. If a project labor agreement is not utilized for construction on a
29 project (a) the authority shall not utilize an alternative project
30 delivery contract for a project; and (b) the contract for a project
31 shall be let to the lowest responsible bidder.

32 § 1349-v. Actions against the authority. The authority shall be
33 subject to section fifty-e of the general municipal law for a notice of
34 claim and the service of such notice of claim.

35 § 1349-w. Audit and annual report. In conformity with the provisions
36 of section five of article ten of the constitution, the accounts of the
37 authority shall be subject to the supervision of the comptroller and an
38 annual audit shall be performed by an independent certified accountant.
39 The authority shall annually submit to the governor and comptroller and
40 to the chairs of the senate finance and assembly ways and means commit-
41 tees a detailed report pursuant to the provisions of section twenty-
42 eight hundred of this chapter, and a copy of such report shall be filed
43 with the clerk of each town and village in the service area.

44 § 1349-x. Separability clause. If any section, clause or provision in
45 this title shall be held by a competent court to be unconstitutional or
46 ineffective in whole or in part, to the extent that it is not unconsti-
47 tutional or ineffective, it shall be valid and effective, and no other
48 section, clause or provision shall on account thereof be deemed invalid
49 or ineffective.

50 § 1349-y. Effect of inconsistent provisions. In so far as the
51 provisions of this title are inconsistent with the provisions of any
52 other act, general or special, or of any charter, local law, ordinance
53 or resolution of any municipality, the provisions of this title shall be
54 controlling. Nothing contained in this section shall be held to supple-
55 ment or otherwise expand the powers or duties of the authority otherwise
56 set forth in this title. Except as specifically provided for in this

title, in the performance of any of its functions, powers and duties, the authority shall be subject to all applicable general or special laws of the state, the county charter, and any local law, ordinance or resolution of the county.

§ 3. Notwithstanding any law to the contrary, no services or work described in this act, or any work similar in nature, currently performed by municipal or county employees or future work that is similar in scope and nature to the work being currently performed by municipal or county employees shall be contracted out or privatized by the county, municipality, or public authority. All such future work shall be performed by public employees.

Nothing in this act shall be deemed to waive or impair any rights or benefits of employees of a participating municipality or county that otherwise would be available to them pursuant to the terms of agreements between the certified representatives of such employees and the county or participating municipality pursuant to article 14 of the civil service law; all work performed by the municipality or county or public authority that ordinarily would be performed by employees subject to article 14 of the civil service law shall continue to be performed by such employees.

§ 4. This act shall take effect on the one hundred eightieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such effective date.