§ 1045-i. Agreement among the water board, the city and the authority for the provision of water projects. 1. The authority, the water board and the city, acting either by the mayor alone or by resolution of the board of estimate of the city, may enter into agreements for the purpose of providing for the construction and financing of a water project.

2. Any such agreements (i) shall describe in sufficient detail for reasonable identification the particular water project to be financed in whole or in part by the authority, (ii) shall describe the plan for the financing of the cost of the construction of such water project, including the amount, if any, to be provided by the water board and the source or sources thereof, (iii) shall set forth the method by which and by whom and the terms and conditions upon which moneys provided by the authority shall be disbursed, (iv) may require, in the discretion of the authority, the payment to the authority of the proceeds of any state and federal grants available to the water board, (v) shall provide for the establishment of user fees, rates, rents and other charges and the charging and collection thereof by the water board for the use of, or services furnished, rendered or made available by such system such as to provide that such board receive revenues at least sufficient, together with other revenues of the board, if any, to meet the requirements of subdivision one of section one thousand forty-five-j of this title, provided that revenues received by such board shall be deposited in a special fund established pursuant to this title and disbursed to, and upon certification of, the authority, (vi) may provide for the transfer by the city to the water board pursuant to section one thousand forty-five-h of this title of ownership of the sewerage system or water system, or both, as the case may be, of which such project will form a part by the city, (vii) shall provide for the construction and completion of such water project by the city and for the operation, maintenance and repair thereof as an integrated part of the system of which such water project forms a part, subject to such terms and conditions, not inconsistent with this title, which may be in the public interest and necessary or desirable properly and adequately to secure the holders of bonds of the authority, provided, however, all contracts for public work and all purchase contracts shall be awarded by the city as provided by law for the award of such contracts by the city and that

all contracts for construction shall be let in accordance with the provisions of state law pertaining to prevailing wages, labor standards and working hours. Except as otherwise provided in section two hundred twenty-two of the labor law, when the entire cost of constructing a building as part of any water project shall exceed three million dollars, the city shall prepare separate specifications for the following three subdivisions of the work to be performed: (a) plumbing and gas fitting; (b) steam heating, hot water heating, ventilating and air conditioning apparatus; and (c) electric wiring and standard illuminating fixtures, (viii) shall provide for the discontinuance or disconnection of the supply of water or the provision of sewerage service, or both, as the case may be, for non-payment of fees, rates, rents or other charges therefor imposed by the water board, provided such discontinuance or disconnection of any supply of water or the provision of sewerage service, or both, as the case may be, shall not be carried out except in the manner and upon the notice as is required of a waterworks corporation pursuant to subdivisions three-a, three-b and three-c of section eighty-nine-b and section one hundred sixteen of the public service law, and (ix) in the discretion of the authority, require reports concerning the project from the water board to the authority and the city.

2-a. Each bidder on a public work contract, where the preparation of separate specifications is not required, shall submit with its bid a separate sealed list that names each subcontractor that the bidder will use to perform work on the contract, and the agreed-upon amount to be paid to each, for: (a) plumbing and gas fitting, (b) steam heating, hot water heating, ventilating and air conditioning apparatus and (c) electric wiring and standard illuminating fixtures. After the low bid is announced, the sealed list of subcontractors submitted with such low bid shall be opened and the names of such subcontractors shall be announced, and thereafter any change of subcontractor or agreed-upon amount to be paid to each shall require the approval of the public owner, upon a showing presented to the public owner of legitimate construction need for such change, which shall be open to public inspection. Legitimate construction need shall include, but not be limited to, a change in project specifications, a change in construction material costs, a

change to subcontractor status as determined pursuant to paragraph (e) of subdivision two of section two hundred twenty-two of the labor law, or the subcontractor has become otherwise unwilling, unable or unavailable to perform the subcontract. The sealed lists of subcontractors submitted by all other bidders shall be returned to them unopened after the contract award.

3. If the city executes an agreement pursuant to this section, relating to the financing of water projects by revenue bonds, it shall have and shall be deemed to have annulled its power to levy user fees, rents and other charges on participating properties or customers for the cost of financing, operating and maintaining such water or sewerage system or both, as the case may be, under its jurisdiction until all bonds of the authority shall have been paid or discharged in accordance with the agreement and the resolution of the authority authorizing such bonds. If the city has outstanding general obligation bonds issued for acquiring or constructing water or sewerage facilities, whether the bonds are payable from revenues, special assessments, or taxes, it may authorize the authority pursuant to the agreement to issue its revenue bonds under this title for the purpose of retiring the outstanding bonds.

4. No such agreement shall be executed until the city and water board shall have held a public hearing at which users of the water system or the sewerage system or the water system and sewerage system, as the case may be, shall have had opportunity to be heard concerning the proposed provisions thereof. Notice of such hearing shall be published at least thirty days in advance in the state register, in the official newspaper or newspapers of the city, and in at least one newspaper of general circulation in each of the areas served by the water system or sewerage system, as the case may be.

5. Such agreement shall be effective upon the issuance by the authority of notes and bonds to finance the cost of constructing water projects of the city.

6. Any such agreement may be amended, revised or extended by

supplemental agreements authorized and executed in the same manner as the original agreement, provided that any such supplemental agreement shall not be inconsistent with the provisions of this title.

7. (a) Following the execution of the agreement by and between the authority, the water board and the city pursuant to this section, the clerk of the city, shall publish a notice in substantially the following form: "Notice is hereby given that the city of New York has on day of entered into an agreement with the New York city municipal water finance authority in relation to the construction and financing of (here insert a brief description of the sewerage or water facility or facilities to which such agreement relates) pursuant to the New York City Municipal Water Finance Authority Act for the purpose of placing its water or sewerage system or water and sewerage system, as the case may be, on an independent basis, imposing fees and rents on water or sewerage system users, or both, which, together with other revenues available for such purpose, if any, are sufficient to pay to the authority debt service on bonds issued by the authority pursuant to the agreement and for operation and maintenance of the facility (title to which is transferred to the water board pursuant to the agreement). Such agreement in general terms provides (here insert a brief summary of the substantive provisions of such agreement). A copy of the complete agreement is on file for public inspection in the office of the clerk of the city where the same may be examined by any interested person during regular business hours. The validity of this agreement may be hereafter contested only upon the ground or grounds that: (i) such agreement violates, or the performance of any provision thereof by any party thereto would violate, the provisions of any law or the state constitution, or (ii) the provisions of law which should have been complied with in relation to the authorization and execution were not substantially complied with, and in any event an action, suit or proceeding is commenced within sixty days after the date of this notice.

(Clerk or other official
designated by the city council
of the city of New York)"

(b) The publication authorized by this subdivision shall be in the state register and in the official newspaper or newspapers of the city.

(c) After the expiration of the sixty day period set forth in such notice the validity of such agreement shall be conclusively presumed and the validity thereof shall not thereafter be questioned by either a party plaintiff or a party defendant and no court shall have jurisdiction in any action, suit or proceeding contesting such validity.

(d) Neither any error or omission in the notice of publication provided for in this subdivision shall affect or impair the validity of an agreement executed pursuant to this section so long as the notice substantially conforms to the provisions of this section.