§ 1196-c. Organization of authorities. 1. When an authority has been established by special act of the legislature for the benefit of a single sponsoring municipality, upon such establishment the governing body of such municipality shall file within one year after the effective date of such special act, in the office of the secretary of state, a certificate setting forth (a) the date of passage of such special act; (b) the name of the authority; (c) the names of the members and their terms of office, specifying which member is the chairman; and (d) the bounds of the district established by local law in which the authority will deliver water to or transport sewage from the ultimate consumers or dischargers thereof, provided, however, that unless otherwise provided in such special act no such district may encompass any area contained within another district established under this title or within any other water authority district created by this chapter. Should such district include all or any portion of a municipality or municipalities other than the sponsoring municipality, such certificate shall be accompanied by a copy of the intermunicipal contract or contracts under which the authority will provide services within such other municipality or municipalities, together with copies of the local law approving same. Any changes in the bounds of such districts or to such contracts shall be similarly filed within thirty days thereof.

2. Where an authority has been established by special act of the legislature for the benefit of more than one sponsoring municipality, upon such establishment the governing body of each such municipality shall file within one year after the effective date of such special act, in the office of the secretary of state, a certificate setting forth (a) the date of passage of such special act; (b) the name of the authority; (c) the name or names of the member or members appointed by such governing body and their terms of office; and (d) the bounds of that portion of the district established by local law within the applicable municipality in which the authority will deliver water to or transport sewage from the ultimate consumers or dischargers thereof, provided, however, that unless otherwise provided by such special act no such portion may encompass any area contained within another district established under this title or within any other water district created by this chapter. Each such certificate shall be accompanied by a copy of

the local law establishing such portion of the district and by a copy of the intermunicipal agreement under which membership on the authority is apportioned among the sponsoring municipalities and a copy of the local law approving same.

3. An authority shall be deemed to be and shall be in existence upon the satisfactory filing and receipt of the certificate or certificates required by subdivision one or two hereof. An authority and its corporate existence shall continue until terminated by law; provided, however, that no such law shall take effect so long as the agency shall have bonds or other obligations outstanding unless adequate provision has been made for the payment or satisfaction thereof. Upon termination of the existence of the authority, all of the rights and properties of the authority then remaining shall pass to and vest in the sponsoring municipality or municipalities, as the case may be.

4. An authority shall be a corporate governmental agency constituting a public benefit corporation. Except as otherwise provided by special act of the legislature where there is more than one sponsoring municipality, an authority shall consist of not less than three nor more than five members. Such members shall be appointed and the chairman designated by the governing body of the sponsoring municipality, provided that where there is more than one sponsoring municipality, the apportionment of members between or among the sponsoring municipalities and the manner of selection of a chairman shall be determined by intermunicipal agreement. Members shall serve at the pleasure of the appointing municipality, and each member shall continue to hold office until his successor is appointed and has qualified. The governing body shall file with the secretary of state a certificate of appointment or reappointment of any member appointed or reappointed by it. Members shall receive no compensation for their services but shall be entitled to reimbursement of the necessary expenses, including traveling expenses, incurred in the discharge of their duties.

5. No action shall be taken by an authority except pursuant to the favorable vote of a majority of the members then in office.

6. Any one or more of the members of an authority may be an official or an employee of a sponsoring municipality. In the event that an official or an employee of such municipality shall be appointed as a member of the agency, acceptance or retention of such appointment shall not be deemed a forfeiture of his municipal office or employment, or incompatible therewith or affect his tenure or compensation in any way. The term of office of a member of an authority who is an official or an employee of such municipality when appointed as a member thereof by special act of the legislature creating the authority shall terminate at the expiration of the term of his municipal office.

7. In addition to any powers granted to it by law, the governing body of the sponsoring municipality or municipalities, from time to time, may appropriate by resolution sums of money to defray project costs or any other costs and expenses of the authority. Subject to the rights of bondholders, the governing body may determine if the moneys so appropriated shall be subject to repayment by the authority to the municipality or municipalities, and in such event, the manner and time or times for such repayment.

8. It is hereby determined and declared that an authority and the carrying out of its powers, purposes and duties are in all respects for the benefit of the people of the sponsoring municipality or municipalities and the state, for the improvement of their health, welfare and prosperity and that the said purposes are public purposes and that an authority is and will be performing an essential governmental function in the exercise of the powers conferred upon it by this title.