§ 1226-h. Agreements among the water board, board of water supply, municipalities and the authority for the provision of projects. 1. The authority, the water board, the board of water supply and any municipality may enter into agreements for the purpose of providing for the construction and financing of a project.

2. Any such agreements: (i) shall describe in sufficient detail for reasonable identification the particular 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 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 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 project such as to provide that the water board receive revenues at least sufficient, together with other revenues of the water board, if any, to meet the requirements of this title, (vi) may provide for the transfer by the board of water supply or by any municipality to the water board pursuant to this title of ownership of any project, (vii) may provide for the construction and completion of such project by such municipality or the water board and for the operation, maintenance and repair thereof, 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, (viii) shall provide for the discontinuance or disconnection of the supply of water for non-payment of fees, rates or other charges therefor imposed by the water board, provided such discontinuance or disconnection of any supply of water 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 any municipality.

3. If the city executes an agreement pursuant to this section, relating to the financing of 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 projects 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 water board shall have held a public hearing at which users of the project shall have had opportunity to be heard concerning the proposed provisions thereof. Notice of such hearing shall be published not less than ten nor more than twenty days in advance in a newspaper or newspapers having a general circulation in the service area as designated by the water board.

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

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 initial agreement by and between the authority, the water board, the board of water supply and any municipality pursuant to this section, the secretary of the water board shall, and following the execution of any subsequent agreement by and

between the authority, the water board, the board of water supply, and any municipality pursuant to this section may, publish a notice in substantially the following form:

"Notice is hereby given that (here insert the parties to the agreement) (has) (have) on the _ day of _ entered into an agreement with the upper Mohawk valley regional water finance authority in relation to the construction and financing of (here insert a brief description of the water project or facility to which such agreement relates) pursuant to the upper Mohawk valley regional water finance authority act for the purpose of placing its water facilities on an independent basis, imposing fees and rates on water users, which, together with other revenues available for such purposes, 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 secretary of the water board where the same may be examined by any interested person during regular business hours. The validity of the 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 the state constitution or (ii) the provisions of law which should have been complied with in relation to the authorization and execution thereof were not substantially complied with, and an action, suit or proceeding is commenced within sixty days after the date of this notice."

(b) The publication authorized by this subdivision shall be in a newspaper or newspapers having a general circulation in the service area as designated by the water board.

(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 nor 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.