§ 2880-a. Contracts for the financing of local water supply systems. Notwithstanding any other provisions of this title or the provisions of any general, special or local law, any public benefit corporation created pursuant to article five of this chapter which is authorized by law to produce, develop, distribute and sell water, water services, facilities and commodities shall have the power:

1. to enter into contracts, with any entity specified in subdivision two of this section, providing for the financing of the acquisition and construction of improvements to the water supply system or water distribution system of such entity, the terms of which may include, among other provisions, provisions requiring such entity to purchase water only from such public benefit corporation during the term of such contract, which term shall be limited to the lesser of (a) thirty years or (b) the probable useful life of the items for which any bonds are issued by such public benefit corporation to finance the acquisition and construction of improvements to such water supply system or water distribution system, and

2. to issue bonds, in accordance with the applicable provisions of this chapter, to finance the acquisition and construction of improvements to any water supply system or water distribution system owned by any water authority, municipality, county, town, village, water district or Indian tribe to which such public benefit corporation is authorized by law to furnish water.