§ 197-a. Contracts by water districts or town water storage and distribution districts with water authorities. The town board may enter into an agreement with a public water authority which possesses express reciprocal powers whereby the award of contracts or orders for engineering services, and for work performed, or materials or supplies furnished in connection with the construction, development, extension or improvement of a water supply or distribution system, or any part or parts thereof, for or on behalf of a water district or a town water storage and distribution district may be made by such public water authority, and such an agreement may contain provisions equitably allocating costs. If such agreement shall authorize a public water authority to purchase supplies or equipment or to construct public works, such authority shall be subject to all provisions of law to which a town would be subject in relation to advertising and awarding any such contracts for supplies, equipment or public works. The town board, where a water district exists, may enter into an agreement with a public water authority which possesses express reciprocal powers whereby the award of contracts or orders for engineering services, and for work performed, or materials or supplies furnished in connection with the construction, development, extension or improvement of a water supply or distribution system, or any part or parts thereof, for or on behalf of such public water authority may be made by such town, and such an agreement may contain provisions equitably allocating costs.