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*NYCLS Pub A § 1150 (2016)*

**§ 1150. Short title**

This title may be cited as the "Onondaga County Water Authority Act."

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*NYCLS Pub A § 1151 (2016)*

**§ 1151. Definitions**

As used or referred to in this title, unless a different meaning clearly appears from the context.

1. The term "authority" shall mean the corporation created by section eleven hundred twenty-eight \* \* of this title;
2. The term "county" shall mean the county of Onondaga;
3. The term "treasurer" shall mean the treasurer of the authority;
4. The term "comptroller" shall mean the comptroller of the state of New York;
5. The term "civil service commission" shall mean the civil service commission of the county of Onondaga;
6. The term "properties" shall mean the water supply and distribution system or systems of the authority, whether situated within or without the territorial limits of the district, including the plants, works, instrumentalities or part thereof and appurtenances thereto, lands, easements, rights in land and water rights, rights-of-way, contract rights, franchises, approaches, connections, dams, reservoirs, water mains and pipe lines, pumping stations and equipment, or any other property incidental to and included in such system or part thereof, and any improvements, extensions and betterments;
7. The term "bonds" shall mean the bonds, notes and obligations, issued by the authority, pursuant to this act;
8. The term "revenues" shall mean all rents, charges and other income derived from the operation of the properties of the authority;
9. The term "municipality" shall mean any county, city, town, village, town water district, fire district, fire protection district, fire alarm district, school district, and any other political subdivision of the state.[] \* \* \*
10. The term "district" shall mean the Onondaga county water authority district created by section eleven hundred twenty-seven \* \* \* \* of this title.

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*NYCLS Pub A § 1152 (2016)*

**§ 1152. Onondaga county water authority district**

There is hereby created a district to be known as the "Onondaga County Water Authority District" which shall embrace the towns of Camillus, Clay, Cicero, DeWitt, Elbridge, Geddes, Lysander, Manlius, Marcellus, Onondaga, Salina and VanBuren, in the county of Onondaga, state of New York.

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*NYCLS Pub A § 1153 (2016)*

**§ 1153. Onondaga county water authority**

1. A corporation known as "Onondaga County Water Authority" is hereby created for the purposes and charged with the duties and having the powers provided in this title. The authority shall be a body corporate and politic constituting a public benefit corporation and shall be a "public district" for the purposes of section eighty-nine-1 of the public service law. It shall consist of five members, all of whom shall be residents of the county, who shall be appointed by the chairman of the board of supervisors of Onondaga county subject to confirmation by a majority of the board of supervisors of Onondaga county. The first members shall be appointed for the following terms from the effective date of this act, as follows: two for a term of three years, two for a term of two years and one for a term of one year. Subsequent appointments shall be made in the same manner and for terms of three years. All members shall continue to hold office until their successors are appointed and qualify. The first chairman shall be designated by the board of supervisors. Subsequent chairmen shall be elected annually by the members of the authority. Vacancies, occurring otherwise than by expiration of term of office, shall be filled by appointments by the board of supervisors for the unexpired terms. Members of the authority may be removed from office for the same reasons and in the same manner as may be provided by law for the removal of officers of the county. The members of the authority shall receive such compensation for their services as shall be fixed by the board of supervisors and shall be reimbursed for all their actual and necessary expense incurred in connection with the carrying out of the purposes of this title. The powers of the authority shall be vested in and be exercised by the members at a meeting duly called and held and three members shall constitute a quorum. No action shall be taken except pursuant to the favorable vote of at least three members. The authority may delegate to one or more of its members, officers, agents or employees such powers and duties as it may deem proper.

2. The authority and its corporate existence shall continue for a period of twelve years and thereafter until all its liabilities have been met and its bonds have been paid in full or such liabilities or bonds have otherwise been discharged and thereupon all rights and properties of the authority shall pass to and be vested in the county of Onondaga.

3. The officers of the authority shall consist of a chairman, a vice-chairman and a treasurer, who shall be members of the authority, and a secretary, who need not be a member of the authority. The vice-chairman, treasurer and secretary shall be appointed by the authority and shall serve at the pleasure of the authority. The authority may appoint and at pleasure remove an attorney and an engineer which positions, in addition to the position of secretary, shall be in the exempt class of the civil service and such additional officers and employees as it may require for the performance of its duties, fix and determine their qualifications, duties and compensation, subject to the provisions of the civil service law of the state of New York and such rules as the civil service commission of the county of Onondaga may adopt and make applicable to such public authority. The authority may also from time to time contract for expert professional services. The treasurer shall execute a bond, conditioned upon the faithful performance of the duties of his office, the amount and sufficiency of which shall be approved by the authority and the premium therefor shall be paid by the authority.

4. It is hereby determined and declared that the authority and the carrying out of its powers, purposes and duties are in all respects for the benefit of the people of the county of Onondaga and the state of New York, for the improvement

of their health, welfare and prosperity and that the said purposes are public purposes and that the authority is and will be performing an essential governmental function in the exercise of the powers conferred upon it by this title.

**5.** Upon creation of the authority, from time to time the board of supervisors, may, by resolution, appropriate sums of money to defray the preliminary expenses of the authority. The moneys so appropriated shall be repaid by the authority to the county out of the proceeds of the first bond issue of the authority.

**6.** Neither the public service commission nor any other board or commission of like character, shall have jurisdiction over the authority in the management and control of its properties or operations or any power over the regulation of rates fixed or charges collected by the authority.

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*NYCLS Pub A § 1154 (2016)*

**§ 1154. Powers of the authority**

The authority shall have power:

1. To sue and be sued;
2. To have a seal and alter the same at pleasure;
3. To acquire, in the name of the authority, lease, hold and dispose of real estate and personal property or any interest therein for its corporate purposes, including the power to purchase prospective or tentative awards in connection with the exercise of the power of condemnation hereinafter granted;
4. To purchase, in the name of the authority, any water supply system, water distribution system, including plants, works, instrumentalities or parts thereof and appurtenances thereto, lands, easements, rights in land and water rights, rights-of-way, contract rights, franchises, approaches, connections, dams, reservoirs, water mains and pipe lines, pumping stations and equipment, or any other property incidental to and included in such system or part thereof, and any improvements, extensions and betterments, situated wholly within the county, provided, however, that the authority shall have the power to purchase any source of supply, or water supply system or any part thereof situated wholly or partly without the territorial limits of the district; and in connection with the purchase of such properties the authority may assume any obligations of the owner of such properties and, to the extent required by the terms of any indentures or other instruments under which such obligations were issued, the authority may assume and agree to perform covenants and observe the restrictions contained in such instruments; and furthermore the owner of any properties, which the authority is authorized to acquire, is hereby authorized to sell or otherwise transfer the same to the authority, whereupon the authority shall become charged with the performance of all public duties with respect to such properties with which such owner was charged and such owner shall become discharged from the performance thereof, and in the case of a sale or other transfer of properties of a public utility corporation pursuant to this provision, it shall be lawful to dissolve such corporation;
5. To supply and sell water for domestic, commercial and public purposes at retail to individual consumers within the county of Onondaga or at wholesale in the manner provided by subdivision eight of this section as a means of so acquiring for such purposes, and the authority may purchase all of the stock of any existing privately owned water corporation or company, and thereafter, within a reasonable time, such water corporation or company shall be dissolved;
6. To condemn in the name of the authority, within the territorial limits of the county, any water supply system, water distribution system, including plants, works, instrumentalities, or parts thereof and appurtenances thereto, lands, easements, rights in land and water rights, rights-of-way, contract rights, franchises, approaches, connections, dams, reservoirs, water mains and pipe lines, pumping stations and equipment or any other property incidental to and included in such system or part thereof, and any improvements, extensions and betterments for the purpose of supplying water for domestic, commercial and public purposes at retail to individual consumers within the county of Onondaga or

at wholesale in the manner provided by subdivision eight of this section. The authority shall exercise the power of condemnation hereby granted in the manner provided by the condemnation law and title to the properties described in the condemnation proceedings shall become and be vested in the authority in accordance with the provisions of the condemnation law. In the exercise of such power of condemnation, the property being condemned shall be deemed, when so determined by the authority, to be for a public use superior to the public use in the hands of any other person, association, or corporation, provided, however, that the authority shall have no power to condemn property the legal title to which is vested in a municipality or a political subdivision of the state, unless such municipality or political subdivision shall consent thereto.

**7.** To construct and develop any water supply system, water distribution system including plants, works, instrumentalities, or parts thereof, and appurtenances thereto, dams, reservoirs, water mains, pipe lines, pumping stations and equipment, or any other property incidental to or included in such system or part thereof within the county of Onondaga, and to acquire, by condemnation in the manner provided by this title, or by purchase, lands, easements, rights in land, and water rights and rights-of-way in connection therewith within such county; and to own and operate, maintain, repair, improve, reconstruct, enlarge and extend, subject to the provisions of this title, any of its properties acquired or constructed under this title, all of which, together with the acquisition of such properties are hereby declared to be public purposes;

**8.** To sell water by volume to any or all municipalities, duly established water districts or privately owned public water supply and distribution systems in such county. The fact that any municipality has procured or is about to procure an independent source of water supply shall not prevent such municipality from purchasing water from the authority. To sell any water not needed in such county to any duly established water district, municipality or privately owned public water supply and distribution system outside of the county in which created. Not only may the authority sell any surplus water it may have developed, but it may develop and provide a sufficient amount of water so as to supply water outside of the county to any municipality, duly established water district or privately owned public water supply and distribution system;

**9.** To purchase water in bulk from any person, private corporation or municipality when necessary or convenient for the operation of such water supply and distribution system;

**10.** To acquire, hold, use, lease, sell, transfer and dispose of any property, real, personal or mixed, or interest therein, for its corporate purposes, including the right to sell, lease, convey or otherwise dispose of any distribution system or improvements thereto which the authority may acquire or construct to any municipal corporation or town water district, town water supply district, or to the county;

**11.** To produce, develop, distribute and sell water or water services within or without the territorial limits of the district; and to purchase water from any municipal corporation, town water district, person, association or corporation; provided, however, that water may be sold at retail to individual consumers only within the county of Onondaga and further provided that in exercising the powers granted by this title, the authority shall not sell water in any area which is served by a water system owned or operated by a municipality or special improvement district unless the governing board of such municipality or district shall adopt a resolution requesting the authority to sell water in such served area; and the authority shall not interfere with any water supply or water system of any municipality unless requested by such municipality after such municipality has held a referendum on such question and approval given thereon;

**12.** To make by-laws for the management and regulation of its affairs and subject to agreements with bondholders, rules for the sale of water and the collection of rents and charges therefor. A copy of such rules and by-laws, and all amendments thereto, duly certified by the secretary of the authority shall be filed in the office of the clerk of the county and thereafter published once in two newspapers having a general circulation in the county. Violation of such rules shall be punishable by fine, not exceeding fifty dollars, or by imprisonment for not longer than thirty days, or both. Exclusive jurisdiction is hereby conferred upon the local criminal courts of the county, outside the city of Syracuse, which have trial jurisdiction, to hear and determine, subject to the provisions of the criminal procedure law, any violation of this title;

**13.** To use the officers, employees, facilities and equipment of the county with the consent of the county, paying a proper portion of the compensation or cost;

**14.** To make contracts and to execute all necessary or convenient instruments, including evidences of indebtedness, negotiable or non-negotiable;

**15.** To enter on any lands, waterways and premises for the purpose of making surveys, soundings and examinations;

**16.** To borrow money and to issue negotiable bonds or notes or other obligations and to fund or refund the same, and to provide for the rights of the holders of its obligations;

**17.** To fix rates and collect charges for the use of the facilities of, or services rendered by, or any commodities furnished by the authority such as to provide revenues sufficient at all times to pay, as the same shall become due, the principal and interest on the bonds, notes or other obligations of the authority together with the maintenance of proper reserves therefor, in addition to paying as the same shall become due the expense of operating and maintaining the properties of the authority together with proper reserves for depreciation, maintenance and contingencies and all other obligations and indebtedness of the authority;

**18.** To enter into cooperative agreements with other water authorities, municipalities, counties, towns, villages, water districts, utility companies, individuals, firms or corporations, within or without the territorial limits of the district for the interconnection of facilities, the exchange or interchange of services and commodities, and within the territorial limits of the district to enter into a contract for the construction and operation and maintenance of a water supply and distribution system by the authority for any municipality having power to construct and develop a water supply and distribution system, upon such terms and conditions as shall be determined to be reasonable including, but not limited to the reimbursement of all costs of such construction, or for any other lawful purposes necessary or desirable to effect the purposes of this title;

**19.** To accept grants, loans or contributions from the United States, the state of New York, or any agency or instrumentality of either of them, or the county, or an individual, by bequest or otherwise, and to expend the proceeds for any purposes of the authority;

**20.** To do all things necessary or convenient to carry out the powers expressly given in this title.

**21.** To contract with the board of supervisors of the county of Onondaga for the acquisition, construction and development of a water supply and distribution system, or any part or parts thereof, on behalf of a county water district or districts, and to contract for the operation and management of any such district or districts, in accordance in each case with the provisions of article five-A of the county law.

**22.** To act as a county water agency in accordance with the provisions of article five-A of the county law.

**23.** To contract for the purposes of subdivision twenty-four of section ten of article two of the highway law.

**24.** Notwithstanding any other provision of this section, to purchase, construct, lease and operate water systems and properties in the towns of Sullivan, Lenox, Lincoln, Volney, Verona, Vienna, Hannibal, Hastings, Minetto, Schroepfel, Scriba, Oswego, West Monroe, Annsville, Granby, *Constantia* and Sterling to enter into any contract authorized by this section with any municipality within the territorial limits of said towns, and to supply and sell any water not needed in the county of Onondaga at retail or at wholesale to individual consumers within the territorial limits of said towns.

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*NYCLS Pub A § 1155 (2016)*

**§ 1155. Moneys of the authority**

All moneys of the authority from whatever source derived shall be paid to the treasurer of the authority and shall be deposited forthwith in a bank or banks in the state of New York designated by the authority. The moneys in such accounts shall be paid out on check of the treasurer on requisition by the authority or of such other person or persons as the authority may authorize to make such requisitions. All deposits of such moneys shall, if required by the comptroller or the authority, be secured by obligations of the United States or of the state of New York or of the county of a market value equal at all times to the amount of deposit and all banks and trust companies are authorized to give such security for such deposits. The auditor and his legally authorized representatives of the county of Onondaga, and the comptroller if they so elect, are hereby authorized and empowered from time to time to examine the accounts and books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other matters relating to its financial standing. The authority shall have power, notwithstanding the provisions of this section, to contract with the holders of any of its bonds as to the custody, collection, security, investment and payment of any moneys of the authority, or any moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds, and carry out any such contract notwithstanding that such contract may be inconsistent with the provisions of this section. Moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of such moneys may be secured in the same manner as moneys of the authority, and all banks and trust companies are authorized to give such security for such deposits.

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*NYCLS Pub A § 1156 (2016)*

**§ 1156. Bonds of the authority**

1. The authority shall have the power and is hereby authorized from time to time to issue its negotiable bonds in conformity with applicable provisions of the uniform commercial code for any of its corporate purposes, including incidental expenses in connection therewith, and to secure the payment of the same by a lien or pledge covering all or part of its contract, earnings or revenues. The authority shall have power from time to time whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any of its corporate purposes. Except as may be otherwise expressly provided by the authority, every issue of bonds by the authority shall be general obligations payable out of any moneys, earnings or revenues of the authority, subject only to any agreements with the holders of particular bonds pledging any particular moneys, earnings or revenues.

2. The bonds shall be authorized by resolution of the authority and shall bear such date or dates, mature at such time or times not exceeding forty years from their respective dates, bear interest at such rates per annum not exceeding six per centum per annum payable at such times, be in such denominations, be in such form either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America, at such place or places and be subject to such terms of redemption, as such resolution or resolutions may provide.

Bonds of the authority shall be sold at public sale upon sealed bids to the bidder who shall offer the lowest interest cost to the authority to be determined by the authority. The notice of sale shall be published at least once, not less than ten nor more than forty days before the date of sale, in a financial newspaper published and circulated in the city of New York and designated by the authority. The notice shall call for the receipt of sealed bids and shall fix the date, time and place of sale. Bonds may also be sold at private sale. Such bonds, whether publicly or privately sold, shall be sold for a price not less than ninety-six per centum of the par value thereof, plus accrued interest, provided always that the interest cost to maturity of the moneys realized from the sale of such bonds shall not exceed six per centum per annum. The terms of private sale shall be approved by the comptroller, or by the division of the budget when the sale is to the comptroller.

3. Any resolution or resolutions authorizing any bonds or any issue of bonds may contain provisions, which shall be a part of the contract with the holders of the bonds thereby authorized, as to

(a) pledging all or any part of the moneys, earnings, income and revenues derived from all or any part of the properties of the authority to secure the payment of the bonds or of any issue of the bonds subject to such agreements with bondholders as may then exist;

(b) the rates, rentals, fees and other charges to be fixed and collected and the amounts to be raised in each year thereby, and the use and disposition of the earnings and other revenues;

- (c) the setting aside of reserves and the creation of sinking funds and the regulation and disposition thereof;
- (d) limitations on the right of the authority to restrict and regulate the use of the properties in connection with which such bonds are issued;
- (e) limitations in the purposes to which and the manner in which the proceeds of sale of any issue of bonds may be applied;
- (f) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured; the refunding of outstanding or other bonds;
- (g) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;
- (h) the creation of special funds into which any earnings or revenues of the authority may be deposited;
- (i) the terms and provisions of any mortgage or trust deed or indenture securing the bonds or under which bonds may be issued;
- (j) vesting in a trustee or trustees such properties, rights, powers and duties in trust as the authority may determine which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders pursuant to section eleven hundred forty-three hereof, \* \* and limiting or abrogating the right of the bondholders to appoint a trustee under such section or limiting the rights, duties and powers of such trustee;
- (k) defining the acts or omissions to act which shall constitute a default in the obligations and duties of the authority to the bondholders and providing the rights and remedies of the bondholders in the event of such default, including as a matter of right the appointment of a receiver, provided, however, that such rights and remedies shall not be inconsistent with the general laws of this state and other provisions of this title;
- (l) limitations on the power of the authority to sell or otherwise dispose of its properties;
- (m) any other matters, of like or different character which in any way affect the security or protection of the bonds;
- (n) limitations on the amount of moneys derived from the properties to be expended for operating, administrative or other expenses of the authority;
- (o) the protection and enforcement of the rights and remedies of the bondholders;
- (p) the obligations of the authority in relation to the construction, maintenance, operation, repairs and insurance of the properties, the safeguarding and application of all moneys and as to the requirements for the supervision and approval of consulting engineers in connection with construction, reconstruction and operation;
- (q) the payment of the proceeds of bonds and revenues of the properties to a trustee or other depository, and for the method of disbursement thereof with such safeguards and restrictions as the authority may determine.

**4.** It is the intention of the legislature that any pledge of earnings, revenues or other moneys made by the authority shall be valid and binding from the time when the pledge is made; that the earnings, revenues or other moneys so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

**5.** Neither the members of the authority nor any person executing the bonds or other obligations shall be liable personally on the bonds or other obligations or be subject to any personal liability or accountability by reason of the issuance thereof.

**6.** The authority shall have power out of any funds available therefor to purchase (as distinguished from the power of redemption hereinabove provided) any bonds issued by it or which may be assumed by such authority at a price of not more than the principal amount thereof and accrued interest, and all such bonds shall be cancelled.

**7.** In the discretion of the authority, the bonds may be secured by a trust indenture by and between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company in the state of New York. Such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the

bondholders as may be reasonable and proper and not in violation of law, including covenants setting forth the duties of the authority in relation to the construction, maintenance, operation, repair and insurance of the properties, and the custody, safeguarding and application of all moneys, and may provide that the properties shall be constructed and paid for under the supervision and approval of consulting engineers. The authority may provide by such trust indenture for the payment of the proceeds of the bonds and the revenues of the properties to the trustee under such trust indenture or other depository, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. All expenses incurred in carrying out such trust indenture may be treated as a part of the cost of maintenance, operation and repairs of the properties. If the bonds shall be secured by a trust indenture the bondholders shall have no authority to appoint a separate trustee to represent them.

Notwithstanding any other provisions of this title, any resolution or resolutions authorizing bonds or notes of the authority shall contain a covenant by the authority that it will at all times maintain rates, fees, rentals and/or other charges sufficient to pay, and that any contracts entered into by the authority for the sale or distribution of water shall contain rates, fees, rentals or other charges sufficient to pay, the cost of operation and maintenance of the properties, the principal of and interest on any obligation issued pursuant to such resolution or resolutions as the same severally become due and payable, and to maintain any reserves or other funds required by the terms of such resolution or resolutions.

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*NYCLS Pub A § 1157 (2016)*

**§ 1157. Notes of the authority**

The authority shall have power and is hereby authorized to issue negotiable bond anticipation notes in conformity with applicable provisions of the uniform commercial code and may renew the same from time to time but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of such original note. Such notes shall be paid from any moneys of the authority available therefor and not otherwise pledged or from the proceeds of sale of the bonds of the authority in anticipation of which they were issued. The notes shall be issued in the same manner as the bonds and such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which the bonds or a bond resolution of the authority may contain. Such notes may be sold at public or private sale at not less than par and shall bear interest at a rate not exceeding five per centum per annum. Such note shall be as fully negotiable as the bonds of the authority.

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*NYCLS Pub A § 1158 (2016)*

**§ 1158. Duty of authority to maintain and operate**

It shall be the duty of the authority, subject to any limitation on the amount of revenues to be expended for such purpose, to maintain and operate and where necessary to reconstruct its properties.

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*NYCLS Pub A § 1159 (2016)*

**§ 1159. Transfer of officers and employees**

Any public officer or employee under civil service, selected by the authority may, with the consent of the commission, board or department by which he or she has been employed, be transferred to the authority and shall be eligible for such transfer and appointment without examination to comparable offices, positions and employment under the authority. The salary or compensation of any such officer or employee shall after such transfer [transfer] \*\* be paid by the authority. But notwithstanding the provisions of this act, any such officers or employees so transferred to the authority, pursuant to the provisions of this section, who are members of or beneficiaries under any existing pension or retirement system, shall continue to have all rights, privileges, obligations and status with respect to such fund system or systems as are now prescribed by law, but during the period of their employment by the authority, all contributions to any pension or retirement fund or system to be paid by the employer on account of such officers or employee, \*\* shall be paid by the authority; and all such officers and employees who have been appointed to positions under the rules and classifications of the civil service commission of the county of Onondaga shall have the same status with respect thereto after transfer to the authority as they had under their original appointments. It is hereby declared that in the interest of efficiency and insofar as it may be practicable, all employees engaged in the operation of any property or properties, except in an executive capacity, at the time such property or properties shall have been acquired by the authority, pursuant to the provisions of this act, shall become the employees of the authority. The appointment and promotion of all employees of the authority shall be made in accordance with the provisions of the civil service law (constituting chapter seven of the consolidated laws) and such rules as the civil service commission of the county of Onondaga may adopt and make applicable to such authority.

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*NYCLS Pub A § 1160 (2016)*

**§ 1160. Agreements of the state**

The state of New York does pledge to and agree with the holders of the bonds or notes that the state will not limit or alter the rights hereby vested in the authority to acquire, construct, maintain, operate, reconstruct and improve the properties, to establish and collect the revenues, rates, rentals, fees and other charges referred to in this title and to fulfill the terms of any agreements made with the holders of the bonds or notes, or in any way impair the rights and remedies of such bondholders or noteholders, until the bonds or notes together with interest thereon, interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of the bondholders or noteholders are fully met and discharged.

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*NYCLS Pub A § 1161 (2016)*

**§ 1161. State, county and municipalities not liable on bonds id='r769' fnidref='n769' altcontent='\*' text='content' alttext='null'>\*** or notes

The bonds or notes of the authority shall not be a debt of the state of New York or of the county or of any municipality in the county, and neither the state nor the county nor any municipality in the county shall be liable thereon, nor shall they be payable out of any funds other than those of the authority.

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*NYCLS Pub A § 1162 (2016)*

**§ 1162. Bonds and notes legal investments for fiduciaries**

The bonds, or notes, are hereby made securities in which all public officers and bodies of this state and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, and all other persons whatsoever, except as hereinafter provided, who are now or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds including capital in their control or belonging to them; provided that, notwithstanding the provisions of any other general or special law to the contrary, such bonds or notes shall not be eligible for the investment of funds including capital, of trusts, estates or guardianships under the control of individual administrators, guardians, executors, trustees and other individual fiduciaries. The bonds or notes are also hereby made securities which may be deposited with and may be received by all public officers and bodies of this state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of this state is now or may hereafter be authorized.

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*NYCLS Pub A § 1163 (2016)*

**§ 1163. Exemption from taxes**

**1.** It is hereby determined that the creation of the authority and the carrying out of its corporate purposes is in all respects for the benefit of the people of the <1> state of New York and is a public purpose. Accordingly, the authority shall be regarded as performing an essential governmental function in the exercise of the powers conferred upon it by this title, and the authority shall not be required to pay any fees, taxes, special ad valorem levies or assessments of any kind, whether state or local, including but not limited to fees, taxes, special ad valorem levies or assessments on real property, franchise taxes, sales taxes or other taxes, upon or with respect to any property owned by it or under its jurisdiction, control or supervision, or upon the uses thereof, or upon or with respect to its activities or operations in furtherance of the powers conferred upon it by the title, or upon or with respect to any fares, tolls, rentals, rates, charges, fees, revenues or other income received by the authority.

**2.** Any bonds or notes issued pursuant to this title, together with the income therefrom, as well as the property of the authority, shall be exempt from taxation, except for transfer and estate taxes.

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*NYCLS Pub A § 1164 (2016)*

**§ 1164. Tax contract by the state**

The state of New York covenants with the purchasers and with all subsequent holders and transferees of bonds or notes issued by the authority pursuant to this title, in consideration of the acceptance of and payment for the bonds or notes that the bonds and notes of the authority issued pursuant to this title and the income therefrom, and all moneys, funds and revenues pledged to pay or secure the payment of such bonds or notes, shall at all times be free from taxation except for transfer and estate taxes.

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*NYCLS Pub A § 1165 (2016)*

**§ 1165. Officers and employees not to be interested in transactions**

It shall be a misdemeanor for any of the members of the authority, or any officer, agent, servant or employee thereof, employed or appointed by them to be in any way or manner interested directly or indirectly in the furnishing of work, materials, supplies or labor, or in any contract therefor which the authority is empowered by this title to make.

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*NYCLS Pub A § 1166 (2016)*

## **§ 1166. Contracts**

1. All contracts, or orders, for work, material or supplies performed or furnished in connection with construction shall be awarded by the authority pursuant to resolution. Such contracts, or orders, for work, material or supplies needed for any particular purpose involving an expenditure of more than <1> ten thousand dollars shall be awarded only after inviting sealed bids or proposals therefor. The notice inviting sealed proposals shall be published at least once in a newspaper or trade paper selected by the authority for such purpose, such publication to be at least ten days before the date for the receipt of bids. If the authority shall not deem it for the interest of the authority to reject all bids, it shall award the contract to the lowest bidder, unless the authority shall determine that it is for the public interest that a bid other than the lowest bid should be accepted. In any contract for work, material or supplies, there shall be inserted in the discretion of the authority a provision that additional work may be done or material or supplies furnished for the purpose of completing such contract at an expense not exceeding fifteen per centum of the amount of such contract if such additional work, materials or supplies shall be ordered by the authority. The bidder whose bid is accepted shall give security for the faithful performance of the contract, and such other security as the authority may require, and may be required to maintain for such period as shall be stipulated any construction done under the contract, all in the manner prescribed and required by the authority; and the sufficiency of such security shall, in addition to the justification and acknowledgment, be approved by the authority. All bids or proposals shall be publicly opened by the authority or its duly authorized agent. If the bidder whose bid has been accepted after advertising shall neglect or refuse to accept the contract within five days after written notice that the same has been awarded to him on his bid or proposal, or, if he accepts but does not execute the contract and give proper security the authority shall have the right to declare his deposit forfeited, and thereupon it shall be readvertised and relet as above provided. In case any work shall be abandoned by any contractor, the authority may, if the best interest of the authority be thereby served, adopt on behalf of the authority any or all sub-contracts made by such contractor for such work and all such sub-contractors shall be bound by such adoption if made; and the authority shall in the manner provided herein readvertise and relet the work specified in the original contract exclusive of so much thereof as shall be provided for in the subcontract or subcontracts so adopted. No bid shall be accepted from any contracts awarded to, any person or corporation who is in arrears to the authority, or the county of Onondaga upon any debt or contract, or is a defaulter as surety or otherwise upon any obligation of the authority, or the county. Every contract involving an expenditure of more than <2> ten thousand dollars when made and entered into as herein provided for shall be executed in duplicate, one copy of which shall be held by the authority and one copy of which shall be delivered to the contractor. Upon the adoption of a resolution by a vote of two-thirds of all the members of the authority stating that, for reasons of efficiency or economy, there is need for standardization, purchase contracts for a particular type or kind of equipment, material or supplies of more than <3> ten thousand dollars may be awarded by the authority to the lowest responsible bidder furnishing the required security after advertisement for sealed bids therefor in the manner provided in this section. Such resolution shall contain a full explanation of the reasons for its adoption.

**2.** For the purposes of article fifteen-A of the executive law only, the authority shall be deemed a state agency as that term is used in such article, and its contracts, or orders for work, material or supplies performed or furnished in connection with construction shall be deemed state contracts within the meaning of that term as set forth in such article.

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*NYCLS Pub A § 1167 (2016)*

**§ 1167. Restriction of jurisdiction**

Anything contained in this chapter to the contrary notwithstanding, the authority shall have no power to purchase or otherwise acquire any source of supply, or water supply system, or any part thereof, situated wholly or partly in the <1> *county of Seneca* or in the town of Skaneateles in the county of Onondaga.

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*NYCLS Pub A § 1168 (2016)*

**§ 1168. Remedies of bondholders**

1. In the event that the authority shall default in the payment of principal of or interest on any issue of the bonds after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the authority shall fail or refuse to comply with the provisions of this title, or shall default in any agreement made with the holders of any issue of the bonds, the holders of twenty-five per centum in aggregate principal amount of the bonds of such issue then outstanding, by instrument or instruments filed in the office of the clerk of the county of Onondaga and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such bonds for the purposes herein provided.

2. Such trustee may, and upon written request of the holders of twenty-five per centum in principal amount of such bonds then outstanding shall, in his or its own name

(a) by suit, action or special proceeding enforce all rights of the bondholders, including the rights to require the authority to collect revenues, rates, rentals, fees and other charges adequate to carry out any agreement as to, or pledge of such revenues, rates, rentals, fees and other charges and to require the authority to carry out any other agreements with the holders of such bonds and to perform its duties under this title;

(b) bring suit upon such bonds;

(c) by action or suit in equity, require the authority to account as if it were the trustee of an express trust for the holders of such bonds;

(d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds;

(e) declare all such bonds due and payable, and if all defaults shall be made good then with the consent of the holders of twenty-five per centum of the principal amount of such bonds then outstanding, to annul such declaration and its consequences.

3. The supreme court shall have jurisdiction of any suit, action or proceeding by the trustee on behalf of bondholders.

4. Before declaring the principal of all such bonds due and payable the trustee shall first give thirty days' notice in writing to the authority.

5. Any such trustee whether or not the issue of bonds represented by such trustee has been declared due and payable, shall be entitled as of right to the appointment of a receiver of any part or parts of the properties the revenues of which are pledged for the security of the bonds of such issue and such receiver may enter and take possession of such part or parts of the properties and subject to any pledge or agreement with bondholders shall take possession of all moneys and other property derived from such part or parts of the properties and proceed with any construction thereon or the

acquisition of any property, real or personal in connection therewith which the authority is under obligation to do, and to operate, maintain and reconstruct such part or parts of the properties and collect and receive all revenues thereafter arising therefrom subject to any pledge thereof or agreement with bondholders relating thereto and perform the public duties and carry out the agreements and obligations of the authority under the direction of the court. In any suit, action or proceeding by the trustee the fees, counsel fees and expenses of the trustee and of the receiver, if any, shall constitute taxable disbursements and all costs and disbursements allowed by the court shall be a first charge on any revenues derived from the properties.

**6.** Such trustees shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of bondholders in the enforcement and protection of their rights.

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*NYCLS Pub A § 1169 (2016)*

**§ 1169. Actions**

**1.** In any case founded upon tort a notice of claim shall be required as a condition precedent to the commencement of an action or special proceeding against the authority or any officer, appointee or employee thereof, and the provisions of section fifty-e of the general municipal law shall govern the giving of such notice. *Except in an action for wrongful death, an action against the authority for damages for injuries to real or personal property, or for the destruction thereof, or for personal injuries, alleged to have been sustained, shall not be commenced more than one year and ninety days after the cause of action therefor shall have accrued.*

**2.** An action against the authority for wrongful death shall be commenced in accordance with the notice of claim and time limitation provisions of title eleven of article nine of this chapter.

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*NYCLS Pub A § 1170 (2016)*

**§ 1170. Audit of authority; annual report**

In conformity with the provisions of section five of article ten of the constitution, the accounts of the authority shall be subject to the supervision of the state comptroller and such state comptroller and his legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and the books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other matters relating to its financial standing. The authority shall annually submit to the governor and the comptroller and to the legislature a detailed report pursuant to the provisions of section twenty-eight hundred of this chapter, and a copy of such report shall be filed with the chief fiscal officer of the county.

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*NYCLS Pub A § 1171 (2016)*

**§ 1171. Limitation of liability**

Neither the members of the authority, nor any person or persons acting in its behalf, while acting within the scope of their authority, shall be subject to any personal liability resulting from the erection, construction, reconstruction, maintenance or operation of the properties or any of the improvements or from carrying out any of the powers expressly given in this title.

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*NYCLS Pub A § 1172 (2016)*

**§ 1172. Title not affected if in part unconstitutional or ineffective**

If any section, clause or provision of this title shall be held unconstitutional, or be ineffective in whole or in part, to the extent that it is not unconstitutional or ineffective, it shall be valid and effective and no other section, clause or provision shall, on account thereof, be deemed invalid or ineffective.

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*NYCLS Pub A § 1173 (2016)*

**§ 1173. Effect of inconsistent provisions**

In so far as the provisions of this title are inconsistent with the provisions of any other act, general or special, or of any local law of any city, the provisions of this title shall be controlling. Nothing contained in this title shall be held to alter or abridge the powers and duties of the state department of health or of the water power and control commission over water supply matters.