LAWS

OF THE

STATE OF NEW YORK

PASSED AT THE

TWO HUNDRED AND THIRTEENTH

SESSION

OF THE

LEGISLATURE

CONVENED JANUARY 3, 1990 AND EXPIRED DECEMBER 31, 1990 AT THE CITY OF ALBANY

ALSO OTHER MATTERS REQUIRED BY LAW TO BE PUBLISHED WITH THE SESSION LAWS

VOLUME I



PREPARED BY THE NEW YORK STATE LEGISLATIVE BILL DRAFTING COMMISSION

CHAPTER 867

AN ACT to amend the family court act and the social services law, in relation to disclosure proceedings

Became a law July 25, 1990, with the approval of the Governor. Passed by a majority vote, three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 1038 of the family court act is amended by adding a new subdivision (d) to read as follows:

new subdivision (d) to read as follows: (d) Unless otherwise proscribed by this article, the provisions and limitations of article thirty-one of the civil practice law and rules shall apply to proceedings under this article. In determining any motion for a protective order, the court shall consider the need of the party for the discovery to assist in the preparation of the case and any potential harm to the child from the discovery. The court shall set a schedule for discovery to avoid unnecessary delay. § 2. Paragraph (f) of subdivision 3 of section 384-b of the social services law, as added by chapter 666 of the laws of 1976, is amended to read as follows:

read as follows:

read as follows: (f) In any proceeding under this section in which the surrogate's court has exercised jurisdiction, the provisions of the surrogate's court procedure act shall apply to the extent that they do not conflict with the specific provisions of this section. In any proceeding under this section in which the family court has exercised jurisdiction, the provisions of articles one, two and eleven of the family court act shall apply to the extent that they do not conflict with the specific provi-sions of this section. In any proceeding under this section, the provi-sions of this section. In any proceeding under this section, the provi-sions and limitations of article thirty-one of the civil practice law and rules shall apply to the extent that they do not conflict with the specific provisions of this section. In determining any motion for a protective order, the court shall consider the need of the party for the discovery to assist in the preparation of the case and any potential harm to the child from the discovery. The court shall set a schedule for discovery to avoid unnecessary delay. Any proceeding originated in family court upon the ground specified in paragraph (d) of subdivision four of this section shall be conducted in accordance with the provi-sions of part one of article six of the family court act. § 3. Section 392 of the social services law is amended by adding a new subdivision 5-b to read as follows: 5-b. In any proceeding under this section, the provisions and limita-tions of particle thirty-one of the cavid and the cavid and the provisions and limita-tions of the the the court shall section the provisions and limita-tions of particle thirty-one of the cavid and the cavid and the provisions and limita-stanticle thirty-one of the cavid and the provisions and limita-tions of particle the there and the cavid and the provisions and limita-

SUBULVISION D-D to read as follows: 5-b. In any proceeding under this section, the provisions and limita-tions of article thirty-one of the civil practice law and rules shall apply to the extent that they do not conflict with the specific provi-sions of this section. In determining any motion for a protective order, the court shall consider the need of the party for the discovery to as-sist in the preparation of the case and any potential harm to the child from the discovery. The court shall set a schedule for discovery to avoid unnecessary delay. § 4 This act shall take effect September 1 1990

§ 4. This act shall take effect September 1, 1990.

CHAPTER 868

AN ACT to amend the public authorities law, in relation to creating the water authority of Western Nassau county district

Became a law July 25, 1990, with the approval of the Governor. Passed by a majority vote, three-fifths being present.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Article 5 of the public authorities law is amended by add-ing a new title 8-C to read as follows:

LAWS OF NEW YORK, 1990

TITLE 8-C

Section 1198-a. Title.

1198-b. Definitions.

1198-c. Water authority of Western Nassau county district. 1198-d. Water authority of Western Nassau county.

1198-e. Responsibilities of the authority.

1198 - f. Powers of the authority. 1198 - g. Transfer of officers and employees. 1198 - h. Bonds of the authority.

- 1198-i. Remedies of bondholders.

1198-j. State and municipalities not liable on authority bonds. 1198-k. Moneys of the authority. 1198-1. Bonds legal investments for fiduciaries.

1198-m. Agreement with the state. 1198-m. Exemption from taxes, ass payments in lieu of taxes. assessments and certain fees:

1198-0. Actions against the authority. 1198-p. Conflicts of interest of members of the board of direc-tors and officers and employees of the authority.

- 1198-q. Construction and purchase contracts.
- 1198-r. Separability clause.

1198-s. Effect of inconsistent provisions.

1198-а. *Title.* This title may be cited as the "water authority of Western Nassau county act".

Western Nassau county act. § 1198-b. Definitions. As used or referred to in this title, unless a different meaning clearly appears from the context: 1. "Authority" shall mean the corporation created by section eleven hundred ninety-eight-d of this title. 2. "Board of directors" shall mean the governing board of the author-

ity.

3. "Bonds" shall mean the bonds, notes or other evidences of indebted-

ness issued by the authority pursuant to this title. 4. "Calendar year" shall mean the twelve month period from January first through December thirty-first. 5. "Chief executive officer" when referring to a municipality shall mean the chief elected official of such municipality and, when referring to the authority, shall mean the chairperson of the authority. 6. "Civil service commission" shall mean the civil service commission of the county of Nesseu

of the county of Nassau.

7. "Comptroller" shall mean the comptroller of the state of New York. 8. "Construction" shall mean the negotiation, acquisition, erection, wilding. alteration. improvement, testing, increase, enlargement, ex-

8. "Construction" shall mean the negotiation, acquisition, erection, building, alteration, improvement, testing, increase, enlargement, ex-tension, reconstruction, interconnection, renovation or rehabilitation of a water facility as defined herein; the inspection and supervision thereof; and the engineering, architectural, legal, appraisal, fiscal, economic and environmental investigations, services and studies, sur-veys, designs, plans, working drawings, specifications, procedures and other actions incidental thereto. 9. "Costs", as applied to any project, shall include the cost of con-struction, the cost of the acquisition of all property, including both real, personal and mixed, the cost of demolishing, removing or relocat-ing any buildings or structures on lands so acquired including the cost of acquiring any land to which such buildings or structures may be moved or relocated, the cost of all systems, facilities, machinery, apparatus and equipment, financing charges and bond discount, interest to the ex-tent not paid or provided for from revenues or other sources, the cost of engineering and architectural surveys, plans and specifications, bond and equipment, financing charges and bond discount, interest to the ex-tent not paid or provided for from revenues or other sources, the cost of engineering and architectural surveys, plans and specifications, bond insurance, bond credit enhancement arrangements, other expenses neces-sary or incidental to the construction of such project and the financing of the construction thereof, including the cost of legal and financial advices and credit arrangements with banks or other financial institu-tions, the amount authorized in the resolution of the authority provid-ing for the issuance of bonds to be paid into any reserve or special fund from the proceeds of such bonds and the financing of the placing of any project in operation, including the reimbursement to any municipal-ity, state agency, the state, the United States government, or any other person for expenditures made by them that would be costs of the project

hereunder, notwithstanding the fact that such expenditures may have been incurred prior to the effective date of this title. 10. "County" shall mean the county of Nassau. 11. "Distribution system" shall mean the water facility or facilities employed to deliver water from a transmission facility, or where there is no transmission facility, from a supply facility, to the ultimate consumers of water. 12. "District" shall

mean the water authority of Western Nassau county district created by section eleven hundred ninety-eight-c of this title.

13. "Governing body" shall mean: (a) In the case of a city, county, town or village or district cor-poration the finance board as such term is defined in the local finance law.

poration the finance board as such term is defined in the local finance law. (b) In the case of a public benefit corporation, the members thereof. 14. "Members" shall mean the members of the board of directors. 15. "Municipality" shall mean any city, county, town, village or county or town acting on behalf of an improvement district. 16. "Real property" shall mean lands, structures, franchises and in-terests in land, waters, lands under water, goundwater* riparian rights and air rights and any and all things and rights customarily included within the term "real property" and includes not only fee simple ab-solute, but also any and all lesser interests including, but not limited to, easements, rights of way, uses, leases, licenses and all other in-corporeal hereditaments and every estate, interest or right, legal or equitable, including terms for years and liens thereon by way of judg-ments, mortgages or otherwise. 17. "State sanitary code" shall mean regulations adopted pursuant to section two hundred twenty-five of the public health law. 18. "State" shall mean state of New York. 19. "State agency" shall mean any state office, public benefit cor-poration, department, board, commission, bureau or division, or other agency or instrumentality of the state. 20. "Supply facility" shall mean all rates, rents, fees, charges, payments and other income and receipts derived from users of the authority without limiting the generality of the foregoing, investment proceeds and proceeds of insurance, condemation, sales or other dispo-sitions of assets, together with all federal. state or municipal aid as

proceeds and proceeds of insurance, condemnation, sales or other dispo-sitions of assets, together with all federal, state or municipal aid as well as any other income derived from the operation of the water facility of the authority.

22. "Transmission facility" shall mean a water facility used to carry water from a supply facility to a distribution system. 23. "Treasurer" shall mean the treasurer of the authority. 24. "Water facility" or "water facilities" shall mean any plants,

24. "Water facility" or "water facilities" shall mean any plants, structures and other real and personal property acquired, rehabilitated or constructed for the purpose of supplying, transmitting, distributing or treating water, including but not limited to surface or groundwater reservoirs, basins, dams, canals, aqueducts, standpipes, conduits, pipe-lines, mains, pumping stations, water distribution systems, compensating reservoirs, intake stations, waterworks or sources of water supply, wells, purification or filtration plants or other treatment plants and works, connections, water meters, rights of flowage or diversion and other plants, structures, equipment, towers, conveyances, real or per-sonal property or rights therein and appurtenances thereto necessary or useful and convenient for the accumulation, supply, transmission, treat-ment or distribution of water. ment or distribution of water.

25. "Water project" shall mean any water facility, including the plan-ning, development, financing or construction thereof. 26. "Watershed rules" shall mean the rules and regulations made by the department of health pursuant to section eleven hundred of the public health law.

\$ 1198-c. Water authority of Western Nassau county district. There is hereby created a district to be known as the "water authority of Western Nassau county district" which shall be defined as follows:

* So in original. (Word misspelled.)

EXPLANATION-Matter in *italics* is new; matter in brackets [] is old law to be omitted.

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3732 LAWS OF NEW YORK, 1990 [Chap. Beginning at the point of intersection of the boundary line between the City of New York and the County of Nassau and the center line of New York and Nassau County to the southerly line of the Lakeville Man-hasset Water District; thence easterly along the southerly line of the Lakeville Manhasset Water District to a point approximately three hun-dred seventy-five (375) feet west of Gerard Avenue; thence mortherly along the boundary line of the Lakeville Manhasset Water District to Marcus Avenue; thence easterly along the center line of Marcus Avenue to the center line of New Hyde Park Road; thence southerly and along the center line of New Hyde Park Road; thence southerly and along the center line of New Hyde Park Road; thence southerly and along the center line of New Hyde Park Road; thence southerly and along the center line of New Hyde Park Road; thence southerly and along the center line of New Hyde Park Road; thence southerly and point along the conth of Ashland Avenue to a point one hundred fifty (150) feet east of Leonard Boulevard; thence southeasterly along the boundary line of the Garden City Park Water District to the center line of Denton Aven-nue; thence southerly and along the center line of Denton Aven-nue; thence southerly along the Long Island Rail Road (main line)); thence westerly along the Long Island Rail Road to a coint ap-proximately one thousand one hundred fifty (1150) feet east of Mew Hyde Park Road; thence southerly along the center line of Merk Water Park Road; thence southerly along the center line of the property on the east side of Hathaway Drive; thence east of Hathaway Drive; thence northerly to the south side of Colonial Avenue; thence westerly along the center line of Wew Hyde Park Road to the boundary prive thene on therly to the westerly envine the distant five hundred (500) feet mer of the Franklin Square Water District (a line parallel to and ap-proximately one hundred (100) feet south of Cambridge Avenue; thence westerly along the Makofski Avenue to the center line of Old School Road; thence continuing southerly and along the center line of Old School Road; thence conter line of Atherton Avenue; thence easterly and along the center line of Atherton Avenue to the center line of Emporia Avenue; thence northerly and along the center line of Emporia Avenue to a point distant five hun-dred (500) feet more or less south of Hempstead Turnpike; thence easterly on a line parallel to and distant five hundred (500) feet more or less south of Hempstead Turnpike to the center line of Meachem Avenue to the center line of American Avenue; thence easterly along the center line of American Avenue to a point distant one hundred (100) feet more or less east of Evans Avenue; thence easterly along the center line of American Avenue to a point distant one hundred (100) feet more or less east of Evans Avenue; thence southerly on a line distant one hundred (100) feet more or less east of and parallel to Evans Avenue to the boundry line of the Franklin Square Water District where the same de-flects to the east and is parallel with Nelson Street; thence easterly to the center line of Franklin Avenue; thence continuing easterly on a line parallel to and one hundred (100) feet north of First Avenue to a point approximately five hundred seventy-three (573) feet more or less east of Fourth Street, said point being twenty-five (25) feet west of the westerly boundary line of the West Hempstead-Hempstead Gardens Water District; thence following the boundry line of the West Hempstead fempstead Gardens Water District and running in a southerly direction along a line parallel with and twenty-five (25) feet west of the easterly line of the Nassau County drainage easement a distance of one thousand three hundred fifty-seven (1357) feet more or less; thence in an easterly direction and along the rear lot lines between Anderson and Doughty Avenues, which is also the southerly line of the West Hempstead-Hempstead Gardens Water District, to a point one hundred (100) feet more

868] LAWS OF NEW YORK, 1990 3733 of Hall Street to the southerly side of Sprague Avenue; thence in an easterly direction along the southerly side of Sprague Avenue to the center line of Dogwood Avenue; thence in a southerly direction along the center line of Dogwood Avenue, which is also the boundary line of the Lakeview Water District, a distance of two thousand five hundred thirty (2530) feet more or less to the boundary line of the Village of Mal-verne; thence westerly, thence southerly along the westerly boundary line of the Village of Malverne and the center line of Foeter's Brook to the center line of Wolf Avenue; thence in a westerly direction along the center line of Wolf Avenue a distance of two hundred seventy (270) feet more or less to a point in Peterhoff Street, said point being distant five hundred (500) feet east of the center line of Franklin Avenue and five hundred (500) feet east of the Incorporated Village of Valley Stream boundary line; thence in a southerly direction along a line parallel with and distant five hundred (500) feet east of the center line of Franklin Avenue a distance of six hundred (600) feet more or less to the boundary line of the Incorporated Village of Valley Stream to a point at Cumberland Avenue and Foster Meadow Road, said point being the junction of the boundary line between the County of Massau and the City of New York; thence northerly along the boundary line of the City of New York and the County of Nassau to the center line of Jericho Turnpike; thence easterly along the center line of Jericho Turnpike to the boundary line of the City of New York and the Village of Floral Park; thence northeasterly along the center line of the City of New York and the Village of Floral Park to Hillside Avenue to the point or place of beginning. or place of beginning.

§ 1198-d. Water authority of Western Nassau county. 1. A corporation known as "water authority of Western Nassau county" is hereby created for the purposes and charged with the duties and having the powers provided in this title. The authority shall be a corporate governmental agency constituting a public benefit corporation and shall be a "public district" for the purposes of section eighty-nine-1 of the public ser-vice law. The authority shall be governed by a board of directors con-sisting of five members, four of whom shall be appointed by the town boards of the town of Hempstead and the town of North Hempstead in the same manner as officers and employees are appointed* pursuant to para-graph a of subdivision one of section twenty of the town law. Each mem-ber shall serve for a period of two years. Each chief executive officer shall file with the secretary of state a certificate of appointment of reappointment of any member appointed or reappointed by such chief exec-utive within thirty days of the appointment or reappointment. Members shall receive no compensation for their services but shall be entitled utive within thirty days of the appointment or reappointment. Members shall receive no compensation for their services but shall be entitled to reimbursement of their necessary expenses, including traveling ex-penses, incurred in the discharge of their duties. Nothing herein shall be construed as preventing a chief executive officer of a town from ap-pointing himself or herself to be a member of the board of directors. 2. Any one or more of the members of the board of directors may be an official or an employee of a municipality situated within the district. In the event that an official or an employee of such municipality shall

official or an employee of a municipality situated within the district. In the event that an official or an employee of such municipality shall be appointed as a member of the board of directors, acceptance or reten-tion of such appointment shall not be deemed a forfeiture of his or her municipal office or employment, or incompatible therewith or affect his or her tenure or compensation in any way. 3. No action shall be taken by the authority except pursuant to the favorable vote of three members of the board of directors. 4. The powers of the authority shall be vested in and shall be exer-cised by the board of directors at a meeting duly called and held. Three members of the board of directors shall constitute a quorum. The board of directors may delegate to one or more of its members, or to one or more of the officers, agents or employees of the authority, such powers and duties as it may deem proper. 5. The officers of the authority shall consist of a chairperson, treasurer, and secretary, who may, but need not be members of the board of directors. The officers of the authority shall be appointed by the board of directors. The board of directors may appoint and at its plea-

* So in original. (Word misspelled.)

EXPLANATION-Matter in *italics* is new; matter in brackets [] is old law to be omitted.

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sure remove an attorney and an engineer, which positions, in addition to the officers above named, shall be in the exempt class of the civil ser-vice and such additional officers and employees as it may require for the performance of its duties, fix and determine their qualifications, duties, compensations and terms of office or tenure, subject to the provisions of the civil service law of the state and such rules as the civil service commission may adopt and make applicable to the authority. The authority may also from time to time contract for expert profes-sional services. The duties of the officers shall be as follows:

of f (a) Chairperson. The chairperson shall be the chief executive officer the authority and it shall be the responsibility of the chairperson to:

preside at all meetings of the board of directors and of the of-(i) ficers;

(ii) manage the water facility, the transmission facility and the distribution system and to effectuate the decisions of the board of directors; _(iii)

supervision over the conduct of the officers and emexercise ployees of the authority;

(iv) report annually to each customer, either by mail or by publica-tion once in a newspaper having general circulation within the district; such report shall include but not be limited to the following information:

(1) a brief financial account on operations of the water system including, but not limited to, water rates, total revenues, operating and maintenance expense, and interest on bonds and notes;
 (2) the population served by the authority;
 (3) the number of wells, towers and other storage facilities operated

by the authority; (4) the total

(4) the total pumpage of groundwater including the amount received through interdistrict interconnections and the estimated amount lost

from the system; (5) the single highest level from each well of each synthetic organic chemical, nitrate and chloride constituent tested for by the authority at any time during the year which exceeds the applicable county water quality standard or guideline, that standard or guideline, the site of each well at which each reported constituent was found, and the date on which each reported constituent was analyzed; (6) the highest level from each well of each synthetic organic chemi-

(d) the highest level from each well of each synthetic organic chemi-cal, nitrate and chloride constituent tested for by the authority at any time during the year which does not exceed the applicable county water standard or guideline, but which contains a level equal to or greater than two-thirds of the amount permitted before exceeding a standard or guideline, that standard or guideline, the site of each well at which each reported constituent was found and the date on which each reported constituent was analyzed;

(7) once every five years, the highest level of any constituent discovered within the distribution system which contains a level equal to or greater than two-thirds of the amount permitted before exceeding a standard or guideline, that standard or guideline, and the resulting ac-tion taken by the authority; (8) any well restricted, removed from service or otherwise limited in its way and the course for web action.

its use and the cause for such action; (9) any actions taken to secure new supplies or replace lost capacity; (10) the types of treatment which the water receives before entering

the distribution system; (11) any compliance activities required by regulations of the depart-ment of environmental conservation or the department of health or any

local health department and any instances of noncompliance; (12) the present condition of the distribution system and any significant actions, as determined by the authority, to improve or maintain the system;

(13) any special public services the authority provides during the

year; and (14) information on water conservation measures customers can imple-ment, such as, but not limited to, retrofitting plumbing fixtures, al-tering irrigation timing, using irrigation sensors, leak detection, proper use of water-consuming appliances, daily conscientious use of water and estimated savings of water, energy, and money, from use of these measures;

(v) execute all contracts in the name of the authority;

(vi) institute, at the direction of the board of directors, all civil actions in the name of the authority;
(vii) provide for the enforcement of all of the rules and regulations of the authority and cause all violations thereof to be prosecuted;
(viii) sign orders to pay claims when authorized by the board of directors

directors; (ix) sign checks in the absence or inability of the treasurer or deputy treasurer, if any, when authorized by the board of directors; and a certified copy of a resolution of the board of directors to that ef-fect shall be notice to the depository of such authorization; (x) appoint, subject to the approval of the board of directors, non-elected officers, counsel, accountants, and other financial advisors, engineers and other technical advisors; (xi) employ, promote and discharge managers, supervisors and em-ployees: and

ployees; and (xii) take all other reasonable and necessary actions to carry out his

(xii) take all other reasonable and necessary actions to carry out his or her office as the chief executive of the authority. If the chairper-son has not been appointed as a member of the board of directors of the authority pursuant to this section, such chairperson shall be deemed an ex officio member of the board of directors. Such status shall not carry with it the right to vote on matters coming before the board of direc-tors nor shall the presence of such chairperson be counted for the pur-pose of determining a quorum. (b) Secretary. (i) The secretary shall be the recording and cor-responding officer of the authority and the custodian of the records of the authority. (ii) The secretary shall prepare and send required notices of all meetings when directed to do so by the chairperson or by the written request of four members who have specified the issues to be discussed at

request of four members who have specified the issues to be discussed at the meeting.

(iii) In the absence or disability of the secretary, the chairperson

(11) In the absence of discussion of the secretary, the energy of an experimental product of the energy of the secretary. (c) Treasurer. (i) The treasurer shall have custody of all moneys belonging to the authority and keep accounts of all receipts and expenditures in conformance with a uniform system of accounts formulated and discussion in the treasurer to be secretary in the secretary in the secretary in the secretary is a secretary of the secretary in the secretary is a secretary in the secretary in the secretary in the secretary is a secretary in the secretary in the secretary is a secretary in the secretary in the secretary is a secretary in the secretary in the secretary is a secretary in the secretary is a secretary in the secretar prescribed by the comptroller pursuant to section thirty-six of the gen-eral municipal law.

prescribed by the comptroller pursuant to section thirty-six of the gen-eral municipal law. (ii) The treasurer shall execute a bond, conditioned upon the faithful performance of the duties of his or her office, the amount and suffi-ciency of which shall be approved by the board of directors and the pre-mium therefor shall be paid by the authority. (iii) The treasurer shall deposit, within ten days after receipt thereof, in the name of the authority, in one or more banks, and/or trust companies, designated by the board of directors, all moneys received by him or her. (iv) The treasurer may sign checks with the facsimile signature of the treasurer, as reproduced by a machine or device commonly known as a checksigner, when authorized by the board of directors. (v) The treasurer shall pay out moneys from the authority treasury only as authorized by the board of directors and by law. All such payments, except as may be authorized by the board of directors. (vi) The treasurer shall issue a report on the finances of the authority at each regular meeting of the board of directors. (vii) The treasurer shall file in the office of the authority, within sixty days after the end of the fiscal year, a statement showing in detail all revenues and expenditures during the previous fiscal year and the outstanding indebtedness of the authority as of the end of the fiscal year. The members shall, within ten days, cause to be published once in a newspaper having general circulation within the district, a notice that the annual financial statement has been filed and is avail-able for inspection or a summary of such statement in a form approved by the comptroller. notice that the annual financial statement has been filed and is avail-able for inspection or a summary of such statement in a form approved by the comptroller, with an endorsement thereon that details thereof are on file in the office of the authority. The members shall cause to be au-dited by a certified public accountant engaged for that purpose, such report and supporting records. 6. The officers of the authority shall receive such compensation for their services as shall be fixed by the board of directors and shall be reimbursed for all necessary and actual expenses incurred in connection

with their duties as such officers and in connection with the carrying

with their duties as such officers and in connection with the carrying out of the purposes of this title. 7. The authority and its corporate existence shall continue until ter-minated by law or terminated pursuant to an affirmative vote of all five members of the board of directors to retain the water supply system within the district which is in existence as of the effective date of this title; provided, however, that no such law or vote shall take ef-fect so long as the agency shall have bonds or other obligations out-standing unless adequate provision has been made for the payment or satisfaction thereof. Except as provided in paragraph (d) of subdivision one of section eleven hundred ninety-eight-e of this article, upon ter-mination of the existence of the authority, all of the rights and properties of the authority then remaining shall pass to and vest in the towns within the district. Such property shall be apportioned and dis-tributed so each town shall receive the property located within its boundaries. boundaries.

boundaries.
8. In addition to any powers granted to it by law, the governing body of each of the towns within the district, from time to time, may appropriate sums of money to defray project costs or any other costs and expenses of the authority. Subject to the rights of bondholders, each governing body may determine if the moneys so appropriated shall be subject to repayment by the authority to the towns, and in such event, the manner and time or times for such repayment.
9. 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.

10. 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 for design, construction, services and materials shall be deemed state contracts within the meaning of that term as set forth in such article.

term as set forth in such article. 11. 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 towns within the district and state, 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. § 1198-e. Responsibilities of the authority. The authority shall have the responsibility to: 1 investigate analyse and evaluate various op-

the responsibility to: 1. investigate, analyse and evaluate various op-tions for the distribution of water to the district, including, but not limited_to, the following:

11mited to, the following:
(a) The purchase, in the name of the authority, or in the name of any municipality or municipalities, of any water facility or distribution system or parts thereof involved in the supply of water to the district;
(b) The operation of any water facility or distribution system or parts thereof by any public water suppliers which operate in geographic areas adjacent to the district;

areas adjacent to the district; (c) The creation of additional water authorities to supply water to portions of the district as described in section eleven hundred ninetyeight-c of this article; and (d) The retention of the water supply system within the district which

in existence as of the effective date of this title.

2. Following any purchase pursuant to paragraph (a) of subdivision one of this section:

(a) Meter service to its customers; and
(b) Repair and maintain that portion of a water supply pipe extending from the water mains to the water meter. For purposes of this paragraph "water supply pipe" shall mean a pipe or line which connects the water mains directly to a customer's water meter.
§ 1198-f. Powers of the authority. Except as otherwise limited by this title, the authority shall have the power to:

 sue and be sued;
 have a seal and alter the same at pleasure;
 borrow money and issue negotiable or non-negotiable notes, bonds, or other obligations and to provide for the rights of the holders thereof;

4. enter into contracts and execute all instruments necessary or convenient or desirable for the purposes of the authority to carry out any powers expressly given it in this title; 5. acquire, by purchase, gift, grant, transfer, contract or lease or by condemnation pursuant to the eminent domain procedure law, lease as lessee, hold and use and to sell, lease as lessor, transfer or otherwise dispose of, any real or personal property or any interest therein, within or without the district, as the authority may deem necessary, convenient or desirable to carry out the purpose of this title; provided, however, that the authority may not condemn real property of a municipality without the consent of the governing body of such munici-pelity. pality;

municipality without the consent of the governing body of such munici-pality; 6. purchase, in the name of the authority, any water supply system, including plants, works, instrumentalities or parts thereof and Appur-tenances thereto, lands, easements, rights in land and water rights, rights-of-way, contract rights, franchises, permits, approaches, connec-tions, dams, wells, pumps, reservoirs, water mains and pipe lines, pump-ing stations, treatment facilities, meters, equipment and inventory, or any other property incidental to and included in such system or part thereof, and any improvements, extensions and betterments, situated wholly within the district, 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, provided same shall be necessary in order to such properties the authority may assume any obligations of the owner of such properties and, to the extent required by the terms of any inden-tures or other instruments under which such obligations were issued, the authority may assume and agree to perform covenants and observe the re-strictions 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, as a means of so acquiring for such properties the authority may charged and such owner shall become discharged from the performance thereof. As a means of so acquiring for such properties with which such owner was public duties with respect to such properties with which such owner was charged and such owner shall become discharged from the performance thereof, as a means of so acquiring for such purpose, the authority may purchase all of the stock of any existing privately owned water corpora-tion or company and in the case of a sale or other transfer of proper-ties of a public utility corporation pursuant to this provision, upon the purchase of the stock of such corporation or company it shall be lawful to dissolve such corporation within a reasonable time;

lawful to dissolve such corporation within a reasonable time; 7. construct, improve or rehabilitate water supply facilities required for the maintenance, development or expansion of water supply sources; 8. operate and manage and to contract for the operation and management of facilities of the authority; 9. enter into contracts, and carry out the terms thereof, for the interior of water produced by supply facilities constructed

9. enter into contracts, and carry out the terms thereof, for the wholesale provision of water produced by supply facilities constructed and operated by the authority, to municipalities and private water com-panies and to carry out the terms thereof, for the transmission of water

from new or existing supply facilities; 10. apply to the appropriate agencies and officials of the federal, state and local governments for such licenses, permits or approvals of its plans or projects as it may deem necessary or advisable, and upon such terms and conditions as it may deem appropriate, to accept, in its discretion such licenses, permits or appropriate, to accept, in its

such terms and conditions as it may deem appropriate, to accept, in its discretion, such licenses, permits or approvals as may be tendered to it by such agencies and officials; 11. take all necessary and reasonable actions within the district to conserve, preserve and protect the water supply to the district, includ-ing the making of plans and studies, the adoption of watershed rules and regulations, the enforcing of compliance with all current and future rules and regulations of the state sanitary code with regard to water supply and usage, the requiring of cross-connection controls, the providing of educational material and programs to the public, and the cooperating with water suppliers outside the district to conserve, preserve and protect the entire water reserve as it is affected within

Cooperating with water suppliers outside the district to conserve, preserve and protect the entire water reserve as it is affected within and outside the authority's supply area; 12. retain or employ counsel, auditors, engineers and private con-sultants on a contract basis or otherwise for rendering professional or technical services and advice;

13. make plans and studies necessary, convenient or desirable for the effectuation of the purposes and powers of the authority and to prepare recommendations in regard thereto;

14. prepare a water supply emergency plan which shall include, but not be limited to, the following: (a) establishment of criteria and procedures to determine critical

(a) Solution of the second of t

(d) storage capacities; (e) current condition of addition

current condition of present interconnections and identification

of additional interconnections to meet a water supply emergency; (f) specific action plan to be followed during a water supply emergency including a phased implementation of the plan; (g) general water conservation programs and water use reduction

(b) prioritization of water users;
 (c) identification and availability of emergency equipment needed dur-

(i) identification and availability of emergency equipment needed dur-ing a water supply emergency; and (j) public notification program coordinated with the phased implemen-tation schedule; such plan shall not be adopted until a public hearing on such plan shall have been held, upon not less than fourteen days' notice thereof to each customer, either by mail or by publication once in a newspaper having general circulation within the district; every five years, such plan shall be reviewed and revised if necessary after a public hearing, with notice to each customer as aforesaid; 15. enter upon such lands, waters, or premises as in the judgment of the authority shall be necessary for the purpose of making surveys, soundings, borings and examinations to accomplish any purpose authorized by this title, the authority being liable only for actual damage done; 16. apply for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the federal govern-ment or any agency or instrumentality thereof, or from the state or any agency or instrumentality thereof, or from any other source, for any or all of the purposes specified in this title, and to comply, subject to the provisions of this title, with the terms and conditions thereof;

the provisions of this title, with the terms and conditions thereof; 17. obtain, store, treat, distribute, supply and sell water for domestic, commercial and public purposes at retail to individual consum-

domestic, commercial and public purposes at retail to individual consum-ers within the district; 18. purchase water from any municipal corporation, town water dis-trict, person, association or corporation; 19. produce, develop, distribute and sell water or water services within or without the territorial limits of the district; provided, how-ever, that water may be sold at retail to individual consumers only within the district 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 body of such munici-pality or district shall adopt a resolution requesting the authority to sell water in such served areas; 20. make bylaws for the management and regulation of its affairs and

20. make bylaws for the management and regulation of its affairs and 20. Make bylaws for the management and regulation of its analys and rules and regulations for the conservation, preservation and protection of the authority's water supply and, subject to agreements with bond-holders, rules for the sale of water and the collection of rents and charges therefor. A copy of such rules, regulations and bylaws and any rules and regulations adopted pursuant to subdivision eleven of this section, and all amendments thereto, duly certified by the secretary of the authority shall be filed in the office of the municipalities within the district and thereafter published once in a newspaper baying central

the authority shall be filed in the office of the municipalities within the district and thereafter published once in a newspaper having general circulation within the district. Violation of such rules and regulations shall be punishable by fine, not exceeding fifty dollars, or by impris-onment for not longer than thirty days, or both; 21. 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, or other obliga-tions of the authority together with the maintenance of proper reserves therefor, in addition to paying as the same shall become due, the ex-pense of operating and maintaining the properties of the authority together with proper maintenance reserves, capital reserves, repair reserves, tax stabilization reserves and other contingency reserves, and reserves, tax stabilization reserves and other contingency reserves, and all other obligations and indebtedness of the authority; however, no such rates or charges shall be changed until a public hearing on such

changes shall have been held upon not less than fourteen days' notice thereof to each customer, either by mail or by publication once in a newspaper having general circulation within the district; 22. enter into cooperative agreements with other authorities, munici-

palities, counties, cities, towns, villages, water districts, utility companies, individuals, firms or corporations, within or without the territorial limits of the district for the interconnection of facili-ties, the exchange or interchange of services and commodities, the con-servation, preservation and protection of the authority's water reserve as it is affected within and outside the authority's supply area, and, within the territorial limits of the district, to enter into a contract for the construction, operation and maintenance of a water supply and within the territorial limits of the district, to enter into a contract for the construction, 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 in-cluding, but not limited to the reimbursement of all costs of such con-struction, or for any other lawful purposes necessary or desirable to effect the purposes of this title; 23. provide for the discontinuance or disconnection of the supply of water for nonpayment of fees, rates, rents or other charges therefor imposed by the authority, 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; 24. contract for, provide and maintain such insurance as it deems necessary or reasonable to:

24. contract for, prov necessary or reasonable to:

(a) secure and protect its real and personal property from fire, theft • other calamity or loss; (b) secure and protect it against liability imposed by law for damages or

(b) secure and protect it against inability imposed by faw for damages or injuries to persons or property;
 (c) secure and protect it against any liability which may be imposed pursuant to section eighteen of the public officers law; and
 (d) secure and protect it against any other liability, casualty or loss as it deems necessary or reasonable; and

25. do all things necessary of reasonable; and 25. do all things necessary, convenient or desirable to carry out its purposes and for the exercise of the powers granted in this title. § 1198-g. 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, department or municipality by which he or she has been employed, be transferred to the authority and shall be olicible for such transfer and appointment without examination to comor she has been employed, be transferred to the authority and shall be eligible for such transfer and appointment without examination to com-parable offices, positions and employment under the authority. The salary or compensation of any such officer or employee shall after such transfer be paid by the authority, but notwithstanding the provisions of this title, any such officers or employees so transferred to the cuthority pursuant to the provisions of this section who are members this title, 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 and employees, shall be paid by the authority; and all such officers and employees who have been ap-pointed to positions under the rules and classifications of the civil service commission shall have the same status with respect thereto after service commission shall have the same status with respect thereto after transfer to the authority as they had under their original appointments. The appointment and promotion of all employees of the authority shall be made in accordance with the provisions of the civil service law and such rules as the civil service commission may adopt and make applicable to the authority.

\$ 1198-h. Bonds of the authority. 1. The authority shall have the power and is hereby authorized from time to time to issue bonds, in con-formity with applicable provisions of the uniform commercial code, in such principal amounts as it may determine to be necessary to pay the cost of any water project or projects or for any other corporate pur-poses, including incidental expenses in connection therewith. The authority shall have power from time to time 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 other corporate purpose. Bonds issued by the authority may be general obligations secured by the faith and credit of par-

authority may be general obligations secured by the faith and credit of the authority or may be special obligations payable solely out of par-ticular revenues or other moneys of the authority as may be designated in the proceedings of the authority under which the bonds shall be authorized to be issued, subject to any agreements with the holders of outstanding bonds pledging particular revenues or moneys. 2. The authority is authorized to obtain from any department or agency of the United States of America or nongovernmental insurer any insurance or guaranty, or any other credit enhancement arrangement with any bank or other financial institution to the extent now or hereafter available, as to, or for the payment or repayment of interest or principal, or both, or any part thereof, on any bonds issued by the authority and to enter into any agreement or contract with respect to any such insurance or guaranty, except to the extent that the same would in any way impair or interfere with the ability of the authority to perform and fulfill the terms of any agreement made with the holders of the bonds of the authority. authority.

authority. 3. Bonds shall be authorized by resolution of the authority, and may be in such denominations and bear such date or dates and mature at such time or times as such resolution may provide except that bonds and any renewal thereof shall mature within forty years of the date of their original issuance and notes and any renewal thereof shall mature within five years of the date of their original issuance. Such bonds shall be subject to such terms of redemption, bear interest at such rate or rates, which may vary from time to time, as may be necessary to effect the sale thereof and shall be payable at such times, be in such form, carry such registration privileges, be executed in such manner, be pay-able in such medium of payment at such place or places, and be subject to such terms and conditions as such resolution may provide. Bonds may be sold at public sale or at private sale for such price or prices as the authority shall determine, provided that no issue of bonds may be sold at private sale unless the terms of such sale shall have been ap-proved in writing by: (a) the comptroller, where such sale is not to the comptroller, or (b) the director of the division of the budget of the state, where such sale is to the comptroller.

such sale is to the comptroller.

4. Any resolution or resolutions authorizing bonds or any issue of bonds by the authority may contain provisions which may be part of the contract with the holders of the bonds thereby authorized as to:

contract with the holders of the bonds thereby authorized as to: (a) pledging all or part of its revenues, together with any other moneys, securities, contracts or property, to secure the payment 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 col-lected 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 purpose to which the proceeds from the sale of bonds may be applied:

(e) limitations on the right of the authority to restrict and regulate the use of any project or part thereof in connection with which bonds are issued;

(f) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and 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, including the proportion of bondholders which must consent thereto and the manner in which such consent may be given;

(h) the creation of special funds into which any revenues or other moneys may be deposited;

(i) the terms and provisions of any trust deed or indenture securing the bonds under which the bonds may be issued; (j) vesting in a trustee or trustees such properties, rights, powers

(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 ninety-eight-i of this title and limiting or abrogating the rights 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 may constitute a default in the obligations and duties of the authority to the bondholders and providing for 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 the state and other provisions of this title;
(1) limitations on the power of the authority to sell or otherwise dispose of any system or any part thereof or other property;
(m) limitations on the amount of revenues and other moneys to be expended for operating, administrative or other expenses of the authority;
(n) the protection and enforcement of the rights and remedies of the bondholders;

bondholders;

(o) 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

for the supervision and approval of consulting engineers in connection with construction, reconstruction and operation; (p) the payment of the proceeds of bonds, revenues and other moneys to a trustee or other depository, and for the method of disbursement thereof with such safeguards and restrictions as the authority may determine; and (q) any other matters of like or different character which in any way affect the security or protection of the bonds or the rights and reme-dies of bondbolders.

dies of bondholders.

5. In addition to the powers herein conferred upon the authority to secure its bonds, the authority shall have power in connection with the issuance of bonds to enter into such agreements as the authority may issuance of bonds to enter into such agreements as the authority may deem necessary, consistent or desirable concerning the use or disposi-tion of its revenues or other moneys or property, including remarketing agreements or other similar agreements for the bonds, the mortgaging of any property and the entrusting, pledging or creation of any other security interest in any such revenues, moneys, or property and the do-ing of any act, including refraining from doing any act, which the authority would have the right to do in the absence of such agreements. The authority shall have power to enter into amendments of any such agreements within the powers granted to the authority by this title and to perform such agreements. The provisions of any such agreements may be made a part of the contract with the holders of bonds of the authority.

6. Any provision of the uniform commercial code to the contrary notwithstanding, any pledge of or other security interest in revenues, moneys, accounts, contract rights, general intangibles or other personal property made or created by the authority shall be valid, binding and perfected from the time when such pledge is made or other security in-terest attaches without any physical delivery of the collateral or fur-ther act, and the lien of any such pledge or other security interest shall be valid, binding and perfected against all parties having claims of any kind in tort, contract or otherwise against the authority ir-respective of whether or not such parties have notice thereof. No in-strument by which such a pledge or security interest is created nor any financing statement need be recorded or filed. 7. Whether or not the bonds of the authority are of such form and character as to be negotiable instruments under the terms of the uniform commercial code, the bonds are hereby made negotiable instruments within

Character as to be negotiable instruments under the terms of the anitom commercial code, the bonds are hereby made negotiable instruments within the meaning of and for all purposes of the uniform commercial code, sub-ject only to the provisions of the bonds for registration. 8. Neither the members of the board of directors nor the officers of the authority nor any person executing bonds shall be liable personally thereon or be subject to any personal liability or accountability solely by reason of the issuance thereof. by reason of the issuance thereof.

9. The authority, subject to such agreements with bondholders as then may exist, shall have power out of any moneys available therefor to pur-chase bonds of the authority in lieu of redemption, at a price not exceeding:

(a) if the bonds are then redeemable, the redemption price then applicable, plus accrued interest to the next interest payment date,
(b) if the bonds are not then redeemable, the redemption price then applicable on the first date after such purchase upon which the bonds

become subject to redemption plus accrued interest to the next interest payment date. 10. The a

payment date. 10. The authority shall have power and is hereby authorized to issue negotiable bond anticipation notes in conformity with applicable provi-sions 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 bond resolution of the authority may contain. Such notes may be sold at

contain any provisions, conditions or limitations which the bonds or bond resolution of the authority may contain. Such notes may be sold at public sale or, upon the approval of the comptroller of the terms thereof, at private sale. Such notes shall be as fully negotiable as the bonds of the authority. § 1198-i. 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 applicable county 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

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 outstanding shall, in his or her own name: (a) by action or proceeding in accordance with the civil practice law and rules, enforce all rights of the bondholders and 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 an action or proceeding upon such bonds:

bonds and to perform its duties under this title; (b) bring an action or proceeding upon such bonds; (c) by action or proceeding, 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 proceeding, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds; and (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, annul such declaration and its consequences. 3. Such trustee shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any func-tions specifically set forth herein or incidental to the general repre-sentation of bondholders in the enforcement and protection of their rights. rights.

4. The state supreme court shall have jurisdiction of any action or proceeding by the trustee on behalf of such bondholders. 5. Before declaring the principal of bonds due and payable, the trustee shall first give thirty days' notice in writing to the authority.

§ 1198-j. State and municipalities not liable on authority bonds. Neither the state nor any municipality shall be liable on the bonds of the authority and such bonds shall not be a debt of the state or of any 1198-j. municipality.

\$ 1198-k. Moneys of the authority. All moneys of the authority from whatever source derived shall be paid to the treasurer and shall be deposited forthwith in one or more banks and/or trust companies in the state designated by the authority. The moneys in such accounts shall be state designated by the authority. The moneys in such accounts shall be paid out on checks of the treasurer upon requisition by the chairperson of the authority or of such other officer or officers as the authority may authorize to make such requisitions. All deposits of such moneys shall be secured by obligations of or guaranteed by the United States of America or of the state of a market value equal at all times to the amount on deposit and all banks and trust companies are authorized to give such security for such deposits. Any moneys of the authority not required for immediate use or disbursement may, at the discretion of the authority, be invested in those obligations specified pursuant to the

state finance The provisions of section ninety-eight-a of the law. provisions of section ninety-eight-a of the state finance law. The authority shall have power, notwithstanding the provisions of this sec-tion, to contract with the holders of any bonds as to the custody, col-lection, 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. 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. § 1198-1. Bonds

§ 1198-1. Bonds legal investments for fiduciaries. The bonds of the authority are hereby made securities in which all public officials and bodies of the state and all municipalities, all insurance companies and authority are nereby made securities in which all public officials and bodies of the state and all municipalities, 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, investment companies and other persons carrying on a banking business, and administrators, guardians, executors, trustees and other fiduciaries and all other persons what-soever, 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. The bonds are also hereby made securities which may be deposited with and may be received by all public officers and bodies of the state and all munici-palities for any purposes for which the deposit of bonds or other obli-gations of the state is now or hereafter may be authorized. § 1198-m. Agreement with the state. The state does hereby pledge to and agree with the holders of any bonds issued by the authority pursuant to this title that the state will not alter or limit the rights hereby vested in the authority to fulfill the terms of any agreement made with or for the benefit of the holders of bonds or in any way impair the rights and remedies of bondholders until the bonds together with the in-terest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state in any agreement with bondholders. § 1198-n Exemption from taxes, assessments and certain fees: payments

state in any agreement with bondholders.

state in any agreement with bondholders. § 1198-n. Exemption from taxes, assessments and certain fees; payments in lieu of 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 state and is a public pur-pose, and the authority shall be regarded as performing a governmental function in the exercise of the powers conferred upon it by this title and shall not be required to pay any taxes, special ad valorem levies or special assessments upon any real property owned by it or any filing, recording or transfer fees or taxes in relation to instruments filed, recorded or transferred by it or on its behalf. 2. The authority may pay, or may enter into agreements with any munic-ipality to pay, a sum or sums annually or otherwise or to provide other considerations to such municipality with respect to real property owned by the authority located within such municipality and constituting a part of its water system.

part of its water system.

part of its water system. 3. Any bonds issued pursuant to this title together with the income therefrom as well as the revenues, moneys and all other property and all activities of the authority shall be exempt from all taxes and govern-mental fees or charges, whether imposed by the state or any municipal-ity, including without limitation real estate taxes, franchise taxes, sales taxes or other excise taxes, except for transfer and estate taxes. 4. The state hereby covenants with the purchasers and with all subse-quent holders and transferees of bonds issued by the authority pursuant to this title, in consideration of the acceptance of and payment for the bonds, that the bonds of the authority issued pursuant to this title and the income therefrom and all revenues, moneys, and other property pledged to secure the payment of such bonds shall at all times be free from such taxes. from such taxes.

5. Notwithstanding the above, nothing herein shall prevent the state from assessing a tax or surcharge against the water customers based on their water consumption, provided, however, that all such taxes and sur-charges and the authority's obligation to collect and pay such taxes and surcharges shall be subordinate to the rights of holders of all of the

authority's bonds and notes and to the payment of principal, premiums if any, and interest thereon.

1198-o. Actions against the authority. 1. No action or proceeding \$ 1198-0. Actions against the authority. 1. No action or proceeding shall be prosecuted or maintained against the authority for personal in-jury or damage to real or personal property alleged to have been sustained by reason of the negligence or wrongful act of the authority or any member, officer, agent or employee thereof, unless: (a) a notice of claim shall have been made and served upon the authority within the time limit by and in compliance with section fifty-e of the general municipal law, (b) it shall appear by and as an allegation in the complaint or moving papers that at least thirty days have elapsed since the service of such notice and that adjustment or payment thereof has been neglected or ŝ

that adjustment or payment thereof has been neglected or notice and

notice and that adjustment or payment thereof has been neglected or refused, and (c) the action or proceeding shall be commenced within one year after the happening of the event upon which the claim is based. 2. Wherever a notice of claim is served upon the authority, it shall have the right to demand an examination of the claimant relative to the occurrence and extent of the injuries or damages for which claim is made, in accordance with the provisions of section fifty-h of the gen-eral municipal law.

eral municipal law. 3. The authority may require any person presenting for settlement an account or claim for any cause whatever against the authority to be sworn before a member, counsel, or an attorney, officer or employee thereof designated for such purpose, concerning such account or claim and when so sworn, to answer orally as to any facts relative to such ac-count or claim. The authority shall have power to settle or adjust all claims in favor of or against the authority. 4. The rate of interest to be paid by the authority upon any judgment for which it is liable, other than a judgment against the authority on bonds, shall not exceed six per centum per annum. Interest on payments of principal or interest on any bonds in default shall accrue at the rate borne by such bonds from the date thereof until paid or otherwise satisfied.

satisfied.

satisfied. § 1198-p. Conflicts of interest of members of the board of directors and officers and employees of the authority. No member of the board of directors or officer or employee of the authority shall have any in-terest in any contract, or take any action or otherwise involve himself or herself in any activity which, pursuant to article eighteen of the general municipal law, would be deemed a conflict of interest for a municipal officer or employee holding a position with a municipality similar to the position held by the member. officer or employee with the similar to the position held by the member, officer or employee with the authority

It shall not be deemed a conflict of interest for a p simultaneously hold positions as a member and as an officer shall not be deemed a conflict of for a person to of the authority.

§ 1198-q. Construction and purchase contracts. The authority shall let contracts for construction or purchase of supplies, materials, or equip-ment pursuant to sections one hundred one and one hundred three of the general municipal law. Nothing in this section shall be construed to limit the power of the authority to do any construction directly by the officers, agents and employees of the authority or to contract with a public utility, for a term not to exceed five years, for the operation and maintenance of a water supply system acquired from said public utility. § 1198-r. Separability of the supple set

utility. § 1198-r. Separability clause. If any section, clause or provision in this title shall be held by a competent court to be unconstitutional or ineffective in whole or in part, to the extent that it is not unconsti-tutional or ineffective, it shall be valid and effective, and no other section, clause or provision shall on account thereof be deemed invalid ineffective. or

or ineffective. § 1198-s. Effect of inconsistent provisions. Insofar as the provisions of this title are inconsistent with the provisions of any other law, general, special or local or of any charter or any local ordinance or resolution of any municipality the provisions of this title shall be controlling, provided that nothing contained in this section shall be held to supplement or otherwise expand the powers or duties of the authority otherwise set forth in this title. Nothing contained in this title shall be held to alter or abridge the powers and duties of the department of environmental conservation or the department of health.

§ 2. This act shall take effect immediately.