

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 847  
Committee Substitute Favorable 5/12/97

Short Title: Addit. Powers/Certain Water Auth.

(Public)

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Sponsors:

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Referred to:

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April 7, 1997

1 A BILL TO BE ENTITLED  
2 AN ACT TO AUTHORIZE CERTAIN WATER AND SEWER AUTHORITIES TO  
3 ENTER INTO CERTAIN AGREEMENTS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 162A-6 is amended by adding a new subdivision to read:

6 "(17) Each authority created under G.S. 162A-3.1 and its participating  
7 political subdivisions may enter into agreements obligating these  
8 subdivisions to make payments to the authority for treated water  
9 delivered or made available or expected to be delivered or made  
10 available by the authority, regardless of whether treated water is actually  
11 delivered or made available. Such payments may be designed to cover  
12 the authority's operating costs (including debt service and related  
13 amounts) by allocating those costs among the participating political  
14 subdivisions and by requiring these subdivisions to pay additional  
15 amounts to make up for the nonpayment of defaulting subdivisions.  
16 The participating political subdivisions may agree to budget for and  
17 appropriate such payments. Such payment obligations may be made  
18 absolute, unconditional and irrevocable and required to be performed  
19 strictly in accordance with the terms of such agreements and without

1            abatement or reduction under all circumstances whatsoever, including  
2            whether or not any facility of the authority is completed, operable or  
3            operating and notwithstanding the suspension, interruption, interference,  
4            reduction or curtailment of the output of any such facility or the treated  
5            water contracted for, and such obligations may be made subject to no  
6            reduction, whether by offset or otherwise, and not conditioned upon the  
7            performance or nonperformance of the authority or any participating  
8            political subdivision under any agreement. Such payment obligations  
9            are in consideration of any output or capacity that may at any time be  
10           available from facilities of the authority. The participating political  
11           subdivisions may agree to make such payments from limited or  
12           specified sources. To the extent such payments relate to debt service of  
13           the authority and related amounts, they may not be made from any  
14           moneys derived from exercise by the participating political subdivisions  
15           of their taxing power, and such payment obligations shall not constitute  
16           a pledge of such taxing power. The participating political subdivisions  
17           may agree (i) not to pledge or encumber any source of payment and (ii)  
18           to operate (including fixing rates and charges) in a manner that enables  
19           them to make such payments from such sources. The participating  
20           political subdivisions may also secure such payment obligations with a  
21           pledge of or lien upon any such sources of payment. Notwithstanding  
22           the provisions of G.S. 162A-9 or any other law to the contrary, an  
23           authority entering into any such agreement need not fix rates, fees and  
24           other charges for its services except as provided herein, and such rates,  
25           fees and charges need not be uniform through the authority's service  
26           areas. Notwithstanding the provisions of G.S. 160A-322 or any other  
27           law to the contrary, agreements described herein may have a term not  
28           exceeding 50 years. Notwithstanding any law to the contrary, the  
29           execution and effectiveness of any agreement authorized hereby shall  
30           not be subject to any authorizations or approvals by any entity except  
31           the parties thereto. Each authority and its participating political  
32           subdivisions shall have the power to do all acts and things necessary or  
33           convenient to carry out the powers granted by this subdivision. This  
34           subdivision applies only to authorities created under G.S. 162A-3.1 at  
35           least half the participating political subdivisions of which have  
36           populations of at least 65,000 according to the most recent decennial  
37           federal census."

38           Section 2. This act is effective when it becomes law.