ARTICLE 10

SEWAGE-WORKS CORPORATIONS

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S 115. DEFINITIONS. AS USED IN THIS ARTICLE, THE TERM:

- 1. "SEWAGE-WORKS CORPORATION" MEANS A CORPORATION HERETOFORE OR HEREAFTER ORGANIZED TO PROVIDE A SEWER SYSTEM AS HEREINAFTER DEFINED FOR THE DISPOSAL OF SEWAGE, THROUGH AN ESTABLISHED SYSTEM OF PIPE LINES, TREATMENT PLANTS AND OTHER MEANS OF DISPOSAL, AND WHICH ERECTS, OPERATES, MAINTAINS AND PERFORMS OTHER NECESSARY ACTS INCIDENTAL THERETO, DISPOSAL SYSTEMS FOR SEWER AREAS FORMED WITHIN TOWNS OR VILLAGES AND OTHER MUNICIPAL AREAS OF THE STATE.
- 2. "SEWER SYSTEM" MEANS ALL SEWER PIPES AND OTHER APPURTENANCES WHICH ARE USED OR USEFUL IN WHOLE OR IN PART IN CONNECTION WITH THE COLLECTION, TREATMENT OR DISPOSAL OF SEWAGE, AND OTHER WASTE, INCLUDING SEWAGE PUMPING STATIONS AND SEWAGE TREATMENT AND DISPOSAL PLANTS AND SITES.
- 3. "LOCAL GOVERNING BODY" MEANS THE LEGISLATIVE BODY OF A CITY, TOWN OR VILLAGE AUTHORIZED BY LAW TO ESTABLISH A SEWER DISTRICT OR OTHERWISE TO PROVIDE SEWAGE-WORKS FACILITIES IN SUCH CITY, TOWN OR VILLAGE WHEREIN IS LOCATED THE AREA TO BE SERVED BY THE SEWAGE-WORKS CORPORATION.
- 4. "SEWER DISTRICT" MEANS A COUNTY SEWER DISTRICT ESTABLISHED PURSUANT TO ARTICLE FIVE-A OF THE COUNTY LAW OR A TOWN SEWER DISTRICT ESTABLISHED PURSUANT TO ARTICLE TWELVE OR ARTICLE TWELVE-A OF THE TOWN LAW.

S 116. CONSENT TO INCORPORATION.

1. NO CERTIFICATE OF INCORPORATION OF

A SEWAGE-WORKS CORPORATION SHALL BE FILED UNLESS THERE BE ANNEXED THERETO A CERTIFICATE OR CERTIFICATES DULY EXECUTED IN BEHALF OF THE LOCAL GOVERNING BODIES OF THE CITY, TOWN OR VILLAGE, AS THE CASE MAY BE, IN WHICH ANY PART OF A SEWER SYSTEM PROVIDED BY SUCH CORPORATION IS SITUATE AND, IN THE COUNTY OF SUFFOLK, AN ADDITIONAL CERTIFICATE DULY EXECUTED IN BEHALF OF THE COUNTY SEWER AGENCY, CONSENTING TO THE FORMATION OF THE CORPORATION FOR THE AREA DESCRIBED IN SUCH CERTIFICATE.

2. UPON RECEIPT OF A REQUEST FOR CONSENT TO INCORPORATION, THE LOCAL GOVERNING BODY SHALL GRANT OR DENY SUCH REQUEST WITHIN SIXTY DAYS THEREAFTER OR WITHIN SIXTY DAYS AFTER NOTICE TO IT OF THE APPROVAL OF MAPS AND SPECIFICATIONS OF THE PROPOSED SYSTEM FILED WITH THE DEPARTMENT OF HEALTH HAVING JURISDICTION PURSUANT TO SECTION ONE HUNDRED SEVENTEEN OF THIS ARTICLE, WHICHEVER IS LATER.

S 117. APPROVAL BY DEPARTMENT OF HEALTH. A LOCAL GOVERNING BODY SHALL NOT CONSENT TO THE ESTABLISHMENT OF A SEWAGE-WORKS CORPORATION IN ANY MUNICIPALITY UNLESS THERE SHALL FIRST BE FILED WITH THE DEPARTMENT OF HEALTH, OR CITY, COUNTY, OR PART-COUNTY DEPARTMENT OF HEALTH HAVING JURISDICTION, MAPS AND SPECIFICATIONS OF THE PROPOSED SYSTEM AND SUCH DEPARTMENT SHALL HAVE GIVEN ITS APPROVAL THEREOF.

S 118. Inspection; cost certification.

- 1. THE LOCAL GOVERNING BODY,
- EXCEPT IN THE COUNTY OF SUFFOLK, THE COUNTY SEWER AGENCY SHALL UTILIZE ANY LICENSED PROFESSIONAL ENGINEER IN ITS OWN PERSONNEL STAFF, OR RETAIN A LICENSED PROFESSIONAL ENGINEER OR ENGINEERING FIRM TO CAUSE THE FOLLOWING TO BE UNDERTAKEN AND COMPLETED:
- (A) INITIAL EXAMINATIONS OF THE PLANS AND SPECIFICATIONS AND A REPORT TO THE LOCAL GOVERNING BODY AND IN SUFFOLK COUNTY ALSO TO THE COUNTY SEWER AGENCY ON THE FEASIBILITY AND ADEQUACY THEREOF INCLUDING RECOMMENDED MODIFICATION AND CHANGES, IF ANY;
- (B) INSPECTIONS AT REASONABLE INTERVALS DURING AND AFTER THE CONSTRUCTION OF THE SEWAGE-WORKS SYSTEMS AND A REPORT TO THE LOCAL GOVERNING BODY AND IN SUFFOLK COUNTY ALSO TO THE COUNTY SEWER AGENCY ON THE PROGRESS THEREOF;
- (C) A REPORT TO THE LOCAL GOVERNING BODY AND IN SUFFOLK COUNTY ALSO TO THE COUNTY SEWER AGENCY ON THE COST OF CONSTRUCTION OF THE SEWAGE-WORKS SYSTEM AND APPURTENANCES THERETO AND ACQUISITION OF ALL LANDS AND RIGHTS IN LAND THEREFOR, WHICH, IN TURN, SHALL APPRISE THE CORPORATION OF SUCH COST REPORT. AS A PART OF HIS REPORT, THE LICENSED ENGINEER OR ENGINEERING FIRM SHALL HAVE THE RIGHT AND DUTY TO EXAMINE OR HAVE EXAMINED THE BOOKS AND RECORDS, INCLUDING ALL UNDERLYING DOCUMENTATION, OF THE CORPORATION AS WELL AS ALL REPORTS SUBMITTED BY THE CORPORATION TO GOVERNMENTAL AGENCIES OR AUTHORITIES TO ASCERTAIN AND VERIFY THE COSTS OF CONSTRUCTION AND ACQUISITION. THE SERVICES OF A LICENSED CERTIFIED PUBLIC ACCOUNTANT OR LICENSED PUBLIC ACCOUNTANT MAY BE UTILIZED, WHERE IN THE JUDGMENT OF THE ENGINEER, THEY MAY BE REQUIRED TO PROPERLY ASCERTAIN AND VERIFY THE FISCAL INFORMATION TO BE INCLUDED IN THE ENGINEER'S REPORT.
- (D) A REPORT TO THE LOCAL GOVERNING BODY AND IN SUFFOLK COUNTY ALSO TO THE COUNTY SEWER AGENCY THAT CONSTRUCTION HAS BEEN COMPLETED IN ACCORDANCE WITH THE PLANS AND SPECIFICATIONS FILED WITH AND APPROVED BY THE DEPARTMENT OF HEALTH HAVING JURISDICTION.
- 2. THE COST OF ANY SUCH RETAINED LICENSED PROFESSIONAL ENGINEERING SERVICES SHALL BE REIMBURSED TO THE LOCAL GOVERNING BODY OR SEWER AGENCY BY THE CORPORATION, IN ACCORDANCE WITH AN AGREEMENT WHICH SHALL BE ENTERED INTO BETWEEN SUCH LOCAL GOVERNING BODY OR SEWER AGENCY AND SUCH CORPORATION STATING THE COST OF SUCH SERVICES AND THE TERMS FOR PAYMENT THEREOF.

S 119. GUARANTIES.

- 1. THE LOCAL GOVERNING BODY SHALL REQUIRE THE POSTING OF A PERFORMANCE BOND FOR THE COMPLETION OF THE CONSTRUCTION OF THE SEWAGE-WORKS SYSTEM, AND MAY REQUIRE THE POSTING OF AN ADDITIONAL BOND OR OTHER GUARANTY FOR THE PAYMENT OF LABOR AND MATERIAL FURNISHED IN THE COURSE OF SUCH CONSTRUCTION, AND FOR THE COST OF RETAINED ENGINEERING SERVICES TO THE LOCAL GOVERNING BODY OR SEWER AGENCY.
- 2. THE LOCAL GOVERNING BODY SHALL REQUIRE A REASONABLE GUARANTY FROM THE CORPORATION THAT SAID CORPORATION WILL CONTINUE TO MAINTAIN AND OPERATE THE SYSTEM FOR A PERIOD OF AT LEAST FIVE YEARS, IN THE FORM OF A BOND OR OTHER SECURITY ACCEPTABLE TO THE LOCAL GOVERNING BODY IN THE AMOUNT OF THE ESTIMATED COST OF THE OPERATION AND MAINTENANCE OF THE

SEWAGE-WORKS PROJECT, LESS THE ESTIMATED REVENUES WHICH ARE RECEIVED FROM PROPERTIES SERVED, AND TO BE UTILIZED TO DEFRAY SUCH OPERATION AND MAINTENANCE COSTS, AS REPORTED BY THE LICENSED PROFESSIONAL ENGINEER OR CONSULTING ENGINEERING FIRM TO THE LOCAL GOVERNING BODY. THE LOCAL GOVERNING BODY MAY, AND ON PETITION OF THE CORPORATION SHALL, AT ANY TIME REVIEW THE ADEQUACY OF SUCH BOND OR OTHER SECURITY, TO ASCERTAIN WHETHER IT SHOULD BE MODIFIED ON THE BASIS OF FISCAL PERFORMANCE OR OTHER CONDITIONS.

- 3. (A) IN ADDITION TO THE GUARANTY, THE STOCK OF THE CORPORATION SHALL BE PLACED IN ESCROW AND TITLE THERETO SHALL PASS TO THE LOCAL GOVERNING BODY IN THE EVENT OF FAILURE TO COMPLETE THE CONSTRUCTION THEREOF, OR IN THE EVENT OF ABANDONMENT OR DISCONTINUANCE OF THE MAINTENANCE AND OPERATION OF THE SYSTEM BY THE CORPORATION.
- (B) IN THE COUNTY OF SUFFOLK SAID STOCK PLACED IN ESCROW MAY PASS, WITH THE CONSENT OF THE LOCAL GOVERNING BODY AND THE BOARD OF SUPERVISORS TO A COUNTY SEWER AGENCY IN THE EVENT OF FAILURE TO COMPLETE THE CONSTRUCTION OF SAID SEWER SYSTEM, OR IN THE EVENT OF ABANDONMENT OR DISCONTINUANCE OF THE MAINTENANCE AND OPERATION OF SAID SYSTEM BY THE CORPORATION.
- 4. In the event of such abandonment or discontinuance of the maintenance and operation of the system, the local governing body shall have the right to continue the maintenance and operation of the system at the established rates, with the costs assessed against the users, and it may levy taxes, or sewer rents for such purposes in the same manner as if such facilities were owned by a city, town or village, as the case may be. The local governing body shall have such powers until such time as another corporation or agency may undertake to maintain and operate the sewer system, or until such time as it becomes a part of a municipal or sewer district system.
- 5. IN SUFFOLK COUNTY IN THE EVENT OF AN ABANDONMENT OR DISCONTINUANCE OF THE MAINTENANCE AND OPERATION OF THE SEWER SYSTEM, THE COUNTY AGENCY SHALL HAVE THE RIGHT TO UNDERTAKE TO MAINTAIN AND OPERATE SUCH SEWER SYSTEM, AND IT SHALL DO SO AT THE ESTABLISHED RATES, OR SUCH OTHER RATES AS IT MAY DEEM NECESSARY, WITH THE COSTS, INCLUDING DELINQUENT ACCOUNTS, ASSESSED AGAINST ALL OF THE USERS UNTIL SUCH TIME AS THE SEWER SYSTEM IS INCLUDED IN A SEWER DISTRICT WHICH SHALL MAINTAIN AND OPERATE THE SEWER SYSTEM.

S 120. OPTION.

- (A) THE LOCAL GOVERNING BODY MAY, AT THE TIME OF GRANTING THE CONSENT TO INCORPORATION, REQUIRE AN OPTION TO PURCHASE THE SYSTEM FROM THE CORPORATION OR AT ANY TIME SHALL HAVE THE RIGHT TO PURCHASE OR ACQUIRE IT BY CONDEMNATION. THE LOCAL GOVERNING BODY MAY EXERCISE THIS OPTION BY SERVING WRITTEN NOTICE ON THE CORPORATION, NOT LESS THAN NINETY NOR MORE THAN ONE HUNDRED EIGHTY DAYS BEFORE THE DATE OF THE TAKING.
- (B) IN SUFFOLK COUNTY AND SARATOGA COUNTY, THE COUNTY SEWER AGENCY HAVING THE PRIOR CONSENT OF THE LOCAL GOVERNING BODY AND THE COUNTY LEGISLATURE OR A COUNTY DISTRICT SHALL HAVE AN OPTION TO PURCHASE THE SEWER SYSTEM FROM THE CORPORATION BY PAYING THE COST THEREOF AND FOR ALL ADDITIONS AND IMPROVEMENTS AS CERTIFIED BY THE ENGINEER AS OF THE DATE OF COMPLETION THEREOF PURSUANT TO SECTION ONE HUNDRED EIGHTEEN, LESS DEPRECIATION ON A SCHEDULE INITIALLY AGREED UPON BUT NOT TO EXCEED THIRTY YEARS, TOGETHER WITH THE COST OF THE LAND AND OTHER COSTS THEREOF AS OF THE DATE OF COMPLETION. THE SAID COUNTY AGENCY OR COUNTY DISTRICT MAY EXERCISE ITS OPTION BY SERVING WRITTEN NOTICE ON THE CORPORATION NOT LESS THAN NINETY NOR MORE THAN ONE HUNDRED EIGHTY DAYS BEFORE THE DATE

OF TAKING. THE COUNTY AGENCY OR COUNTY DISTRICT MAY, INSTEAD OF MAKING ANY CASH PAYMENT AGREED OR REQUIRED TO BE MADE TO THE CORPORATION AS COMPENSATION FOR SUCH SEWER SYSTEM AND LAND, ELECT TO AGREE TO PAY THE PRINCIPAL OF AND INTEREST ON OUTSTANDING BONDS AND MORTGAGES ISSUED BY OR ON BEHALF OF SUCH CORPORATION, HAVING A PRINCIPAL AMOUNT NOT EXCEEDING THE AMOUNT OF SUCH CASH PAYMENT, AS SUCH PRINCIPAL AND INTEREST SHALL BECOME DUE AND PAYABLE. IN THE EVENT THE COUNTY AGENCY DOES UNDERTAKE TO PURCHASE, MAINTAIN AND OPERATE SUCH SEWER SYSTEM, IT SHALL DO SO AT THE RATES ESTABLISHED FROM TIME TO TIME AND AGREED TO BETWEEN THE COUNTY AGENCY AND THE LOCAL GOVERNING BODY, WITH THE COSTS, INCLUDING DELINQUENT ACCOUNTS, ASSESSED AGAINST THE USERS UNTIL SUCH TIME AS THE SEWER SYSTEM IS INCLUDED IN A SEWER DISTRICT WHICH SHALL MAINTAIN AND OPERATE THE SEWER SYSTEM. NOTWITHSTANDING THE FOREGOING PROVISIONS, IN SUFFOLK COUNTY AND SARATOGA COUNTY A COUNTY DISTRICT MAY ELECT TO ACQUIRE THE SEWER SYSTEM, INCLUDING ANY AND ALL PLANT SITES AND OTHER REAL PROPERTY PURSUANT TO THE PROVISIONS OF THE EMINENT DOMAIN PROCEDURE LAW AND IN SUCH EVENT THE PROVISIONS OF SUCH LAW SHALL APPLY.

S 121. Duty to supply sewage-works facilities

A SEWAGE-WORKS CORPORATION SHALL SUPPLY EACH CITY, TOWN, VILLAGE OR OTHER MUNICIPAL AREA OR DISTRICT WHEREIN SUCH CORPORATION OPERATES, AND THE INHABITANTS THEREIN, WITH FACILITIES OR MAKE PROVISION FOR THE COLLECTION, TREATMENT AND DISPOSAL OF SEWAGE AT FAIR, REASONABLE AND ADEQUATE RATES AGREED TO BETWEEN THE CORPORATION AND THE LOCAL GOVERNING BODY OR BODIES, AND, IN ADDITION, IN THE COUNTY OF SUFFOLK, THE COUNTY SEWER AGENCY, NOTWITHSTANDING THE PROVISIONS OF ANY GENERAL, SPECIAL OR LOCAL LAW. RATES SHALL BE REVIEWABLE AT INTERVALS OF NOT MORE THAN FIVE YEARS OR AT ANY TIME BY PETITION OF THE CORPORATION OR MOTION BY THE LOCAL GOVERNING BODY ON WRITTEN NOTICE AFTER A PERIOD OF NINETY DAYS. THE PETITION OF A CORPORATION SHALL BE DETERMINED WITHIN NINETY DAYS OF ITS FILING, AND IN THE EVENT A DETERMINATION IS NOT RENDERED WITHIN SUCH PERIOD OF TIME. THE PETITION SHALL BE DEEMED APPROVED. THE LOCAL GOVERNING BODY OF A CITY OR VILLAGE, OR OF A COUNTY OR TOWN ON BEHALF OF A SEWER DISTRICT OR FOR A SPECIAL SEWER IMPROVEMENT SHALL HAVE THE POWER TO CONTRACT WITH A SEWAGE-WORKS CORPORATION FOR COLLECTION, TREATMENT OR DISPOSAL OF SEWAGE. NO CONTRACT FOR SUCH SERVICES SHALL BE EXECUTED FOR A PERIOD GREATER THAN TEN YEARS.

S 122. Powers Every sewage-works corporation shall have the power:

- 1. TO LAY, MAINTAIN, REPAIR AND OPERATE ITS PIPES, CONDUITS AND SEWERS IN ANY STREET, HIGHWAY OR PUBLIC PLACE OF ANY CITY, TOWN, VILLAGE OR OTHER MUNICIPAL AREA, IN WHICH IT HAS OBTAINED THE CONSENT REQUIRED BY SECTION ONE HUNDRED SIXTEEN FOR THE DISPOSAL, TREATMENT AND REMOVAL OF SEWAGE, AND TO OPERATE AND MAINTAIN AND KEEP IN REPAIR ITS SEWAGE DISPOSAL PLANTS, AND PRESCRIBE THE MANNER IN WHICH SEWER CONNECTIONS SHALL BE MADE. NO PIPES, SEWERS OR CONDUITS SHALL BE LAID OR REPAIRED UNDER ANY HIGHWAY, ROAD, STREET OR AVENUE BY SUCH CORPORATION, WITHOUT THE CONSENT OF THE LOCAL GOVERNING BODY OR ITS OFFICIAL IN CHARGE OF HIGHWAYS OR STREETS OR IF SUCH HIGHWAY BE A STATE HIGHWAY, OR A HIGHWAY CONSTRUCTED PURSUANT TO SECTION ONE HUNDRED NINETY-FOUR OR ONE HUNDRED NINETY-FIVE OR ARTICLE SIX OF THE HIGHWAY LAW, THE CONSENT OF THE STATE COMMISSIONER OF TRANSPORTATION NOR IN ANY STREET, HIGHWAY, ROAD, AVENUE OR PUBLIC PLACE IN SUFFOLK COUNTY WITHOUT THE PRIOR WRITTEN CONSENT OF THE COUNTY SEWER AGENCY OR THE COUNTY DEPARTMENT OF ENVIRONMENTAL CONTROL.
- 2. TO CAUSE EXAMINATIONS AND SURVEYS TO BE MADE FOR THE PURPOSE OF DETERMINING THE PROPER LOCATION OF ITS DISPOSAL SYSTEM, AND, FOR SUCH PURPOSE BY ITS OFFICERS, AGENTS OR SERVANTS, TO ENTER UPON ANY LANDS OR WATERS, SUBJECT TO LIABILITY FOR ALL DAMAGES DONE.

3. TO ENTER INTO APPROPRIATE AGREEMENTS WITH THE SECRETARY OF AGRICULTURE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE TO OPERATE WITHOUT PROFIT FOR THE TERM SPECIFIED THEREIN FOR THE PURPOSE OF QUALIFYING TO RECEIVE FEDERAL ASSISTANCE PURSUANT TO THE CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF NINETEEN HUNDRED SIXTY-ONE AND ANY FEDERAL LAWS AMENDATORY AND SUPPLEMENTARY THERETO. ANY SUCH AGREEMENT TO OPERATE WITHOUT PROFIT SHALL BE SUBJECT TO THE APPROVAL OF A MAJORITY OF THE STOCKHOLDERS ENTITLED TO VOTE THEREAT AT ANY REGULAR OR SPECIAL STOCKHOLDERS' MEETING. ANY STOCKHOLDER SO ENTITLED TO VOTE WHO DOES NOT VOTE FOR OR CONSENT IN WRITING TO THE TAKING OF THIS ACTION, SHALL, SUBJECT TO AND BY COMPLYING WITH THE PROVISIONS OF SECTION SIX HUNDRED TWENTY-THREE OF THE BUSINESS CORPORATION LAW, HAVE THE RIGHT TO RECEIVE PAYMENT OF THE FAIR VALUE OF HIS STOCK AND THE OTHER RIGHTS AND BENEFITS PROVIDED BY SUCH SECTION.

S 123. SURVEY AND MAP. BEFORE TAKING OR USING ANY LAND, FOR ITS CORPORATE PURPOSES SUCH CORPORATION SHALL CAUSE A SURVEY AND MAP TO BE MADE OF THE LANDS INTENDED TO BE TAKEN DESIGNATING THE LAND OF THE SEVERAL OWNERS OR OCCUPANTS THEREOF, WHICH MAP SHALL BE SIGNED BY THE PRESIDENT AND THE SECRETARY, AND FILED IN THE OFFICE OF THE CLERK OF THE COUNTY IN WHICH SUCH LANDS ARE SITUATED.

S 124. CONDEMNATION OF REAL PROPERTY. ANY SUCH CORPORATION SHALL HAVE THE RIGHT TO ACQUIRE REAL ESTATE, OR ANY INTEREST THEREIN, NECESSARY FOR THE PURPOSES OF ITS INCORPORATION, AND THE RIGHT TO LAY, REPAIR AND MAINTAIN CONDUITS AND SEWER PIPES WITH CONNECTIONS AND FIXTURES, AND OTHER NECESSARY PORTIONS OF THE SYSTEM, IN, THROUGH OR OVER THE LANDS OF OTHERS. IF ANY SUCH CORPORATION, AUTHORIZED BY THIS ARTICLE SHALL BE UNABLE TO AGREE UPON THE TERMS OF PURCHASE OF ANY SUCH PROPERTY OR RIGHTS, IT MAY ACQUIRE THE SAME BY CONDEMNATION. NOTWITHSTANDING THE FOREGOING, IN SUFFOLK COUNTY SUCH CORPORATION SHALL NOT HAVE THE RIGHT TO CONDEMN OR USE THE LAND OF OTHERS WITHOUT FIRST OBTAINING THE PRIOR WRITTEN CONSENT OF THE COUNTY SEWER AGENCY AND THE DEPARTMENT OF ENVIRONMENTAL CONTROL.