

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 847

Short Title: Piedmont Triad Water Authority.

(Local)

Sponsors: Representatives Culp; and Jeffus.

Referred to: Local and Regional Government II, if favorable, Finance.

April 7, 1997

A BILL TO BE ENTITLED

**AN ACT AUTHORIZING MEMBERS OF THE PIEDMONT TRIAD REGIONAL
WATER AUTHORITY TO ENTER INTO CERTAIN AGREEMENTS.**

The General Assembly of North Carolina enacts:

Section 1. (a) The Piedmont Triad Regional Water Authority (the "Authority") and each of its members may enter into agreements obligating members to make payments to the Authority for treated water that is delivered, made available, or expected to be delivered or made available by the Authority. The agreement may provide that the member is obligated to pay regardless of whether the treated water is actually delivered or made available.

(b) The payments may be designed to cover the Authority's operating costs (including debt service and related amounts) by allocating those costs among the members and by requiring members to pay additional amounts to make up for the nonpayment of defaulting members. The members may agree to budget for and appropriate such payments.

(c) The payment obligations may be made absolute, unconditional, and irrevocable. The payment obligations may be required to be performed strictly in accordance with the terms of the agreements and without abatement or reduction under all circumstances whatsoever, including whether or not any facility of the Authority is completed, operable, or operating. The payment obligation may be required

1 notwithstanding the suspension, interruption, interference, reduction, or curtailment of
2 the output of any facility or the treated water contracted for. The obligations may be
3 made subject to no reduction, whether by offset or otherwise, and not conditioned upon
4 the performance or nonperformance of the Authority or any member under any
5 agreement.

6 (d) The payment obligations are in consideration of any output or capacity that
7 may at any time be available from facilities of the Authority. To the extent the payments
8 relate to debt service of the Authority and related amounts, they may not be made from
9 any moneys derived from exercise by the members of their taxing power, and the
10 payment obligations shall not constitute a pledge of such taxing power.

11 (e) The members may agree: (i) not to pledge or encumber any source of
12 payment and (ii) to operate (including fixing rates and charges) in a manner that enables
13 them to make such payments from such sources. Members may also secure such
14 payment obligations with a pledge of or lien upon any such sources of payment.

15 (f) Notwithstanding the provisions of G.S. 162A-9 or any other law to the
16 contrary, the Authority need not fix rates, fees and other charges for its services except as
17 provided herein, and such rates, fees and charges need not be uniform through the
18 Authority's service areas. Notwithstanding the provisions of G.S. 160A-322 or any other
19 law to the contrary, agreements described in this act may have a term not exceeding 50
20 years. Notwithstanding any law to the contrary, the execution and effectiveness of any
21 agreement authorized by this act shall not be subject to any authorizations or approvals
22 by any entity except the parties to the agreement.

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