

GENERAL ASSEMBLY OF NORTH CAROLINA  
1995 SESSION

CHAPTER 207  
HOUSE BILL 754

AN ACT TO PROVIDE THAT WHEN A WATER AND SEWER AUTHORITY WAS FORMED BY A COUNTY AND ONE CITY, AND THE MAJORITY OF THE CUSTOMERS OF THE AUTHORITY ARE LOCATED WITHIN A CITY THAT IS NOT A MEMBER, THAT CITY MAY JOIN THE AUTHORITY AND APPOINT MEMBERS TO ITS GOVERNING BOARD.

The General Assembly of North Carolina enacts:

Section 1. Article 1 of Chapter 162A of the General Statutes is amended by adding a new section to read:

**"§ 162A-5.1. Political subdivision allowed to join certain authorities.**

- (a) As used in this section, 'city' means a city, town, or incorporated village.
- (b) When an authority was organized under G.S. 162A-3.1 by one county and one city, and the majority of the authority's water customers are located within a city which is not the city that was one of the two original organizers, then that city may join the authority and appoint members as provided by this section.
- (c) A city joining the authority under this section shall do so in accordance with the procedures of G.S. 162A-4. The resolution shall become effective upon the issuance of a certificate of joinder under G.S. 162A-4(c).
- (d) When a city joins an authority under this section, then effective on a date set in the resolution, but not earlier than the first day of the second calendar month after the issuance of the certificate of joinder under G.S. 162A-4(c), the terms of office of all the members of the authority are terminated, and the authority shall consist of members appointed as follows:
  - (1) Two members appointed by the governing board of the city joining the authority under this section. These members must be residents of that city.
  - (2) One member appointed by the governing board of the city that was one of the two original organizers. That member must be a resident of that city.
  - (3) One member appointed by the board of commissioners of the county that was one of the two original organizers. This member must be a resident of a household served by the authority's water system.
  - (4) One member appointed by the board of commissioners of the county that was one of the two original organizers. This member must be a resident of a household served by a sewer system operated by the

authority, but may not be a resident of a household served by the authority's water system.

- (5) One member appointed by the board of commissioners of the county that was one of the two original organizers. This member must be a resident of a household served by the authority's water system which is located outside the corporate limits of any municipality.
- (6) One member appointed by the board of commissioners of the county that was one of the two original organizers. That member must be a resident of the city that has the second highest number of residential water customers served by the authority."

Sec. 2. G.S. 162A-4(a) reads as rewritten:

"(a) Whenever an authority has been organized under the provisions of this Chapter, any political subdivision may withdraw therefrom at any time prior to the creation of any obligations by the authority, and any political subdivision not having joined in the original organization may, with the consent of the authority, join the authority; provided, that any political subdivision not having joined the original organization shall have the right upon reasonable terms and conditions, whether the authority shall consent thereto or not, to join the authority if the authority's water system or sewer system, or any part thereof is situated within the boundaries of the political subdivision or of the county within which the political subdivision is ~~located~~. located; provided, further, that any political subdivision authorized to join the authority by G.S. 153A-5.1 may do so without the consent of the authority."

Sec. 3. G.S. 162A-5 reads as rewritten:

**"§ 162A-5. Members of authority; organization; quorum.**

(a) Each authority organized under this Article shall consist of the number of members as may be agreed upon by the participating political subdivision, such members to be selected by the respective political subdivision. A proportionate number (as nearly as can be) of members of the authority first appointed shall have terms expiring one year, two years and three years respectively from the date on which the creation of the authority becomes effective. Successor members and members appointed by a political subdivision subsequently joining the authority shall each be appointed for a term of three years, but any person appointed to fill the vacancy shall be appointed to serve only for the unexpired term and any member may be reappointed; provided, however, that a political subdivision subsequently joining an authority created under G.S. 162A-3.1 shall not have the right to appoint any members to such authority. Appointments of successor members shall, in each instance, be made by the governing body of the political subdivision appointing the member whose successor is to be appointed. Any member of the authority may be removed, with or without cause, by the governing body appointing said member. This subsection does not apply in the case of an authority that a city joins under G.S. 162A-5.1.

(b) Each authority organized under this Article that a city has joined under G.S. 162A-5.1 shall consist of the number of members provided by that section, such members to be selected as provided by that section. Two each of the members of the authority first appointed after a city has joined under G.S. 162A-5.1 shall have terms

expiring one year and two years respectively from the date on which the certificate of joinder was issued, and three of the members of the authority first appointed after a city has joined under G.S. 162A-5.1 shall have terms expiring three years from the date on which the certificate of joinder was issued. Such designation shall be made by the authority by lot at the meeting where members take their oaths of office. Successor members shall each be appointed for a term of three years to commence on the day that the terms of the prior members' terms expire, but any person appointed to fill a vacancy shall be appointed to serve only for the unexpired term and any member may be reappointed. Appointments of successor members shall, in each instance, be made by the governing body of the political subdivision appointing the member whose successor is to be appointed. Any member of the authority may be removed, with or without cause, by the governing body appointing said member.

(c) Each member of the authority before entering upon his duties shall take and subscribe an oath or affirmation to support the Constitution of the United States and of this State and to discharge faithfully the duties of his office, and a record of each such oath shall be filed with the secretary of the authority.

The authority shall select one of its members as chairman and another as vice-chairman and shall also select a secretary and a treasurer who may but need not be members of the authority. The offices of secretary and treasurer may be combined. The terms of office of the chairman, vice-chairman, secretary and treasurer shall be as provided in the bylaws of the authority.

A majority of the members of the authority shall constitute a quorum and the affirmative vote of a majority of all of the members of the authority shall be necessary for any action taken by the authority. No vacancy in the membership of the authority shall impair the right of a quorum to exercise all the rights and perform all of the duties of the authority. The members of the authority may be paid a per diem compensation set by the authority which per diem may not exceed the total amount of two thousand dollars (\$2,000) annually, and shall be reimbursed for the amount of actual expenses incurred by them in the performance of their duties."

Sec. 4. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 8th day of June, 1995.

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Dennis A. Wicker  
President of the Senate

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Harold J. Brubaker  
Speaker of the House of Representatives