§ 139-49. Borrowing by local units for anticipated water supplies.

(a) Any local unit may issue bonds or other obligations in the manner provided by this section (and may appropriate and expend funds derived therefrom) for the purpose of financing all or any part of the cost of providing storage capacity for anticipated future or present water supply needs, in conjunction with any watershed improvement work or project.

(b) Any two or more local units, each situated in whole or in part in the basin of the same river in which a watershed improvement work or project is located, may issue bonds or other obligations for the purpose stated in subsection (a) of this section in such amounts as constitute their proportionate parts, respectively, of the estimated cost of such a work or project. The governing bodies of said local units shall jointly determine and agree upon the proportionate part of the estimated cost which each local unit is to bear, taking into consideration the taxable resources of each local unit and such other economic and beneficial factors as deemed pertinent and advisable, and such determination shall be recorded in the minutes of each such body.

(c) Such bonds or other obligations of counties shall be issued pursuant to the Local Government Finance Act, Chapter 159 of the General Statutes: Provided, the amount thereof shall constitute a deduction from the gross debt under G.S. 159-55(a)(2): Provided, further, the provisions of G.S. 159-65(2) shall not apply to such bonds.

(d) Such bonds or other obligations of municipalities shall be issued pursuant to the Local Government Finance Act, Chapter 159 of the General Statutes, and the amount thereof shall constitute a deduction from the gross debt under G.S. 159-55(a)(2): Provided, such bonds may not be consolidated with bonds authorized by another ordinance as provided in G.S. 159-65(2).

(e) Notwithstanding any other provisions of law, the Local Government Commission may sell any bonds or other obligations issued pursuant to this section to the United States of America, or any agency thereof, at private sale and without advertisement. The first installment of principal of bonds or other obligations issued under this section may be made payable not more than 10 years after the date of the bonds or obligations. Accrual of interest may be deferred not more than 10 years. Any such bonds or other obligations may contain appropriate provisions which will authorize the initiation of payments of interest and installments of principal on the bonds on a date not later than 10 years from the date of such bonds or obligations, or on the date when the local unit shall begin to use such local water supplies, whichever date shall occur first. The date on which such use of local water supplies begins shall be determined by the governing body of the local unit issuing such bonds or other obligations, which determination shall be binding and conclusive.

(f) If the bonds or other obligations of one or more local units which have agreed upon their proportionate part of the estimated cost, as provided for in subsection (b) of this section, are required by the laws or the Constitution to be submitted to the voters of such local unit at an election and a majority of said voters voting in said election vote against the issuance of such bonds, the bonds or other obligations of any other local unit which have been duly authorized may be issued in whole or in part only when a sufficient number of local units have agreed upon their proportionate part as provided in subsection (b) of this section and have duly authorized their bonds or obligations so that the full amount of such estimated cost may be paid.

(g) As used in this section the following terms have the following meanings:

"Local unit" means any county or municipality.

"Local water supplies" include any municipal or county water supplies, whether or not the purposes served by a particular storage facility financed under this section initially include service to domestic or any other water supply customers.

"Costs" include the cost of water storage capacity in a structure or facility (or other equivalent costs for water supply purposes) and the cost of facilities for release or withdrawal of water stored for water supply purposes, as well as other installation costs of a structure or facility including costs of real and personal property, easements, options, or other interests in real property, and water rights, engineering and inspection fees, contract administration costs, and costs of conveyance facilities for local water supplies. (1967, c. 987, s. 4; 1993, c. 391, ss. 23, 33(a), (b).)