

NORTH CAROLINA GENERAL ASSEMBLY
1961 SESSION

CHAPTER 795
HOUSE BILL 796

AN ACT TO PROVIDE FOR THE CREATION AND ENLARGEMENT OF
METROPOLITAN SEWERAGE DISTRICTS AND FOR THE ISSUANCE
THEREBY OF GENERAL OBLIGATION BONDS AND REVENUE BONDS.

The General Assembly of North Carolina do enact:

Section 1. This Act shall be known and may be cited as the "North Carolina Metropolitan Sewerage Districts Act".

Sec. 2. As used in this Act the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

(a) The term "Board of Commissioners" shall mean the board of commissioners of the county in which a metropolitan sewerage district shall be created under the provisions of this Act.

(b) The word "District" shall mean a metropolitan sewerage district created under the provisions of this Act.

(c) The term "District Board" shall mean a sewerage district board established under the provisions of this Act as the governing body of a district or, if such sewerage district board shall be abolished, any board, body or commission succeeding to the principal functions thereof or upon which the powers given by this Act to the sewerage district board shall be given by law.

(d) The word "cost" as applied to a sewerage system shall mean the cost of acquiring, constructing, reconstructing, improving, extending, enlarging, repairing and equipping any such system, and shall include the cost of all labor and materials, machinery and equipment, lands, property, rights, easements and franchises, plans and specifications, surveys and estimates of cost and of revenues, and engineering and legal services, financing charges, interest prior to and during construction and, if deemed advisable by the district board, for one year after the estimated date of completion of construction, and all other expenses necessary or incident to determining the feasibility or practicability of any such undertaking, administrative expense and such other expenses, including reasonable provision for working capital and a reserve for interest, as may be necessary or incident to the financing herein authorized, and may also include any obligation or expense incurred by the district or by any political subdivision prior to the issuance of bonds under the provisions of this Act in connection with any such undertaking or any of the foregoing items of cost.

(e) The term "general obligation bonds" shall mean bonds of a district for the payment of which and the interest thereon all the taxable property within such district is subject to the levy of an ad valorem tax without limitation of rate or amount.

(f) The term "revenue bonds" shall mean bonds the principal of and the interest on which are payable solely from revenues of a sewerage system or systems.

(g) The term "governing body" shall mean the board, commission, council or other body, by whatever name it may be known, of a political subdivision in which the general legislative powers thereof are vested, including, but without limitation, as to any political subdivision other than the county, the board of commissioners for the county when the general legislative powers of such political subdivision are exercised by such board.

(h) The term "political subdivision" shall mean any county, city, town, incorporated village, sanitary district, water district, sewer district, special purpose district or other political subdivision or public corporation of this State now or hereafter created or established.

(i) The word "sewage" shall mean the water-carried wastes created in and carried or to be carried away from residences, hotels, schools, hospitals, industrial establishments, commercial establishments or any other private or public buildings, together with such surface or ground water or household and industrial wastes as may be present.

(j) The term "sewage disposal system" shall mean any plant, system, facility or property, either within or without the limits of the district, used or useful or having the present capacity for future use in connection with the collection, treatment, purification or disposal of sewage, or any integral part thereof, including but not limited to treatment plants, pumping stations, intercepting sewers, trunk sewers, pressure lines, mains and all necessary appurtenances and equipment, and all property, rights, easements and franchises relating thereto and deemed necessary or convenient by the district board for the operation thereof.

(k) The word "sewers" shall mean any mains, pipes and laterals, including pumping stations, either within or without the limits of the district, for the reception of sewage and carrying such sewage to an outfall or some part of a sewage disposal system.

(l) The term "sewerage system" shall embrace both sewers and sewage disposal systems and any part or parts thereof, either within or without the limits of the district, all property, rights, easements and franchises relating thereto, and any and all buildings and other structures necessary or useful in connection with the ownership, operation or maintenance thereof.

(m) The word "person" shall mean any and all persons including individuals, firms, partnerships, associations, public or private institutions, municipalities, or political subdivisions, governmental agencies, or private or public corporations organized and existing under the laws of this State or any other state or county.

Whenever this Act requires that the boundaries of an area be described, it shall be sufficient if the boundaries are described in a manner which conveys an understanding of the location of the land and may be (1) by reference to a map, (2) by metes and

bounds, (3) by general description referring to natural boundaries, boundaries of political subdivisions, or boundaries of particular tracts or parcels of land, or (4) any combination of the foregoing.

Sec. 3. Any two or more political subdivisions in a county, or any political subdivision or subdivisions and any unincorporated area or areas located within the same county, which political subdivisions or areas need not be contiguous, may petition the board of commissioners for the creation of a metropolitan sewerage district under the provisions of this Act by filing with the board of commissioners,

(a) a resolution of the governing body of each such political subdivision stating the necessity for the creation of a metropolitan sewerage district under the provisions of this Act in order to preserve and promote the public health and welfare within the area of the proposed district, and requesting the creation of a metropolitan sewerage district having the boundaries set forth in said resolution, and

(b) if any unincorporated area is to be included in such district, a petition, signed by not less than fifty-one per centum (51%) of the freeholders resident within such area, defining the boundaries of such area, stating the necessity for the creation of a metropolitan sewerage district under the provisions of this Act in order to preserve and promote the public health and welfare within the proposed district, and requesting the creation of a metropolitan sewerage district having the boundaries set forth in such petition for such district.

Upon the receipt of such resolutions and petitions requesting the creation of a metropolitan sewerage district, the board of commissioners, through its chairman, shall notify the State Stream Sanitation Committee of the receipt of such resolutions and petitions, and shall request that a representative of the State Stream Sanitation Committee hold a joint public hearing with the board of commissioners concerning the creation of the proposed metropolitan sewerage district. The Chairman of the State Stream Sanitation Committee and the chairman of the board of commissioners shall name a time and place within the proposed district at which the public hearing shall be held. The chairman of the board of commissioners shall give prior notice of such hearing by posting a notice at the courthouse door of the county and also by publication in a newspaper circulating in the proposed district at least once a week for four successive weeks, the first publication to be at least thirty days prior to such hearing, In the event all matters pertaining to the creation of such metropolitan sewerage district cannot be concluded at such hearing, such hearing may be continued to a time and place within the proposed district determined by the board of commissioners with the concurrence of the representative of the State Stream Sanitation Committee.

If, after such hearing, the State Stream Sanitation Committee and the board of commissioners shall deem it advisable to comply with the request of such resolutions and petitions, and determine that the preservation and promotion of the public health and welfare in the area or areas described in such resolutions and petitions require that a metropolitan sewerage district should be created and established, the State Stream Sanitation Committee shall adopt a resolution to that effect, defining the boundaries of such district and declaring the territory within such boundaries to be a metropolitan sewerage district under the name and style of "..... Metropolitan Sewerage

District ofCounty;" provided that the State Stream Sanitation Committee may make minor deviations in the boundaries from those prescribed in the resolutions and petitions upon the State Stream Sanitation Committee determining that such deviations are advisable in the interest of the public health, provided no such district shall include any political subdivision which has not petitioned for inclusion as provided for in this Act.

The State Stream Sanitation Committee shall cause copies of the resolution creating the metropolitan sewerage district to be sent to the board of commissioners and to the governing body of each political subdivision included in the district. The board of commissioners shall cause a copy of such resolution of the State Stream Sanitation Committee to be published in a newspaper circulating within the district once in each of two successive weeks, and a notice substantially in the following form shall be published with such resolution:

The foregoing resolution was passed by the State Stream Sanitation Committee on theday of 19, and was first published on theday of 19

Any action or proceeding questioning the validity of said resolution or the creation of the metropolitan sewerage district therein described must be commenced within thirty days after the first publication of said resolution.

.....
Clerk, Board of Commissioners
for County.

Any action or proceeding in any court to set aside a resolution creating a metropolitan sewerage district or to obtain any other relief upon the ground that such resolution or any proceedings or action taken with respect to the creation of such district is invalid, must be commenced within thirty days after the first publication of the resolution and said notice. After the expiration of such period of limitation, no right of action or defense founded upon the invalidity of the resolution or the creation of the metropolitan sewerage district therein described shall be asserted, nor shall the validity of the resolution or of the creation of such metropolitan sewerage district be open to question in any court upon any ground whatever, except in an action or proceeding commenced within such period.

Sec. 4. Immediately after the creation of the district, the board of commissioners shall appoint three members of the district board and the governing body of each political subdivision included in the district shall appoint one member, except that if any city or town has a population, according to the latest decennial census, in excess of the total population of the remaining cities and towns within the district, or where there are no other cities or towns involved, if the census population is in excess of the total population of the remainder of the district, the governing body shall appoint three members. No appointment of a member of the district board shall be made by or in behalf of any political subdivision of which the board of commissioners shall be the governing body, the three appointees designated by the board of commissioners shall be selected from within the district and shall be deemed to represent all such political subdivisions. The members of the district board first appointed shall have terms

expiring one year, two years and three years, respectively, from the date of adoption of the resolution of the State Stream Sanitation Committee creating the district, as the board of commissioners shall determine; provided that of the three members appointed by any governing body, not more than one such member shall be appointed for a three-year term. Successive members shall each be appointed for a term of three years, but any person appointed to fill a vacancy shall be appointed to serve only for the unexpired term and any member of the district board may be reappointed. Appointments of successor members shall, in each instance, be made by the governing body 'making the initial appointment or appointments. All members shall serve until their successors have been duly appointed and qualified, and any member of the district board may be removed for cause by the governing body appointing him.

Each member of the district board before entering upon his duties shall take and subscribe an oath or affirmation to support the Constitution and laws 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 clerk of the board of commissioners.

The district board shall elect one of its members as chairman and another as vice chairman and shall appoint a secretary and a treasurer who may but need not be members of the district board. 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 district board.

The district board shall meet regularly at such places and dates as determined by the board. Special meetings may be called by the chairman on his own initiative and shall be called by him upon request of two or more members of the board. All members shall be notified in writing at least twenty-four hours in advance of such meeting. A majority of the members of the district board shall constitute a quorum and the affirmative vote of a majority of the members of the district board present at any meeting thereof shall be necessary for any action taken by the district board. No vacancy in the membership of the district board shall impair the right of a quorum to exercise all the rights and perform all the duties of the district board. Each member including the chairman shall be entitled to vote on any question. The members of the district board may receive compensation in an amount to be determined by the board, but not to exceed ten dollars (\$10.00) for each meeting attended, and may be reimbursed the amount of actual expenses incurred by them in the performance of their duties.

Sec. 5. If, at any time subsequent to the creation of a district, there shall be filed with the district board a resolution of the governing body of a political subdivision, or a petition, signed by not less than 51% of the freeholders resident within an unincorporated area, requesting inclusion in the district of such political subdivision or unincorporated area, and if the district board shall favor the inclusion in the district of such political subdivision or unincorporated area, the district board shall notify the board of commissioners and the board of commissioners, through its chairman, shall thereupon request that a representative of the State Stream Sanitation Committee hold a joint public hearing with the board of commissioners concerning the inclusion of such political subdivision or unincorporated area in the district. The Chairman of the State Stream Sanitation Committee and the chairman of the board of commissioners shall

name a time and place within the district at which the public hearing shall be held. The chairman of the board of commissioners shall give prior notice of such hearing by posting a notice at the courthouse door of the county and also by publication in a newspaper circulating in the district and in any such political subdivision or unincorporated area at least once a week for four successive weeks, the first publication to be at least thirty days prior to such hearing. In the event all matters pertaining to the inclusion of such political subdivision or unincorporated area cannot be included at such hearing, such hearing may be continued to a time and place within the district determined by the board of commissioners with the concurrence of the representative of the State Stream Sanitation Committee.

If, after such hearing, the State Stream Sanitation Committee and the board of commissioners shall determine that the preservation and promotion of the public health and welfare require that such political subdivision or unincorporated area be included in the district, the State Stream Sanitation Committee shall adopt a resolution to that effect, defining the boundaries of the district including such political subdivision or unincorporated area which has filed a resolution or petition as provided for in this Section, and declaring such political subdivision or unincorporated area to be included in the district, subject to the approval, as to the inclusion of such political subdivision, of a majority of the qualified voters of such political subdivision, or as to the inclusion of such unincorporated area, of a majority of the qualified voters of such unincorporated area, voting at an election thereon to be called and held in such political subdivision or unincorporated area. When an election is required to be held within both a political subdivision and an unincorporated area, a separate election shall be called and held for the unincorporated area and a separate election shall be called and held for the political subdivision. Such separate elections, although independent one from the other, shall be called and held within each political subdivision and within the unincorporated area simultaneously on the same date.

If, at or prior to such public hearing, there shall be filed with the district board a petition signed by not less than ten per centum (10%) of the freeholders residing in the district requesting an election to be held therein on the question of including any such political subdivision or unincorporated area, the district board shall certify a copy of such petition to the board of commissioners and the board of commissioners shall order and provide for the submission of such question to the qualified voters within the district. Any such election may be held on the same day as the election in the political subdivision or unincorporated area proposed to be included in the district. Elections and the registration therefor within the district and an unincorporated area may be held pursuant to a single notice. Notice of registration and election within a political subdivision shall be given by separate notice.

The date or dates of any such election or elections, the election officers, the polling places and the election precincts shall be determined by the board of commissioners which shall also provide any necessary registration and polling books, and the expenses of holding any such election shall be paid from the funds of the district; provided, however, that elections held within a city or town shall be conducted as required by law for special municipal elections, except as such may be modified by the provisions of

this Act, and the expense of such municipal elections shall be paid for by such city or town.

Notice of any such election shall be given by publication once a week for three successive weeks, the first publication to be at least thirty days before any such election, in a newspaper circulating in the political subdivision or unincorporated area to be included in the district, and, if all election is to be held in the district, in a newspaper circulating, in the district. The notice shall state (a) the boundaries of such political subdivision or unincorporated area, (b) the boundaries of the district after the inclusion of such political subdivision or unincorporated area, and (c) in the case of a political subdivision proposed to be included in the district, that if a majority of the qualified voters voting at such election in such political subdivision and, if an election is held in the district, a majority of the qualified voters voting at such election in the district, shall vote in favor of the inclusion of such political subdivision, then such political subdivision so included in the district shall be subject to all debts of the district, and, in the case of an unincorporated area proposed to be included in the district, that is a majority of the qualified voters voting at such election in such unincorporated area and, if an election is held in the district, a majority of the qualified voters voting at such election in the district, shall vote in favor of the inclusion of such unincorporated area, then such unincorporated area so included in the district shall be subject to all debts of the district.

A new registration of the qualified voters in the political subdivision or unincorporated area to be included in the district shall be ordered by the board of commissioners and, if an election is to be held in the district and such election is the first election held in the district after its creation, a new registration of the qualified voters of the district shall be ordered; provided, however, that within a city or town which is voting on the question of inclusion in the district, a new registration may be ordered at the discretion of the governing body thereof and such registration shall be conducted in accordance with the law applicable to the registration of voters in municipal elections. If an election has previously been held in the district, a supplemental registration of all qualified voters not theretofore registered may, at the discretion of the board of commissioners, be ordered and held in accordance with the provisions for registration as herein set forth. Notice of any such registration shall be given by the board of commissioners by publication once at least thirty days before the close of the registration books and such notice of registration may be considered one of the three notices required of the election. The time and manner of any such registration shall, as near as may be, conform with that of the registration of voters provided in G. S. 163-31. The notice of any such registration shall state the days on which the books will be open for the registration of voters and the place or places at which they will be open on Saturdays. The books for any such registration shall close on the second Saturday before the election. The Saturday before election day shall be challenge day and, except as otherwise provided in this Section, any such election shall be held in accordance with the law governing general elections.

A ballot shall be furnished to each qualified voter in any such election, which ballot may contain the words "For inclusion in the Metropolitan

Sewerage District of County of", and the words "Against inclusion in theMetropolitan Sewerage District ofCounty ofwith squares opposite said affirmative and negative forms of the question of inclusion submitted to the voters, in one of which squares the voter may make a cross (X) mark, but this form of ballot is not prescribed.

If a majority of the qualified voters voting at such election in a political subdivision proposed to be included in the district and, if an election is held in the district, a majority of the qualified voters voting at such election in the district, shall vote in favor of the inclusion of such political subdivision, then the district shall be deemed to be enlarged to include such political subdivision from and after the date of the declaration of the result of the election by the district board, and such political subdivision shall be subject to all debts of the district. If a majority of the qualified voters voting at such election in an unincorporated area proposed to be included in the district and, if an election is held in the district, a majority of the qualified voters voting at such election in the district shall vote in favor of the inclusion of such unincorporated area, then the district shall be deemed to be enlarged to include such unincorporated area from and after the date of the declaration of the result of the election by the district board, and such unincorporated area shall be subject to all debts of the district.

The returns of any such election held in an unincorporated area shall be canvassed by the board of commissioners and certified to the district board. The returns of any such election held within a municipality shall be canvassed by the municipal governing body and certified to the district board. Upon receipt of the certified election returns, the district board shall declare the results thereof.

A statement of the result of any such election shall be prepared and signed by a majority of the members of the district board, which statement shall show the date of any such election, the number of qualified voters within the political subdivision or unincorporated area who voted for and against the inclusion thereof and, if an election has been held within the district, the number of qualified voters within the district who voted for and against such inclusion. If a majority of the qualified voters voting at the election in the political subdivision or unincorporated area to be included and, if an election has been held in the district, a majority of the qualified voters voting at the election in the district shall vote in favor of such inclusion, the statement of result shall so declare the result of the election and state that such political subdivision or unincorporated area is from the date of such declaration a part of the district and subject to all debts thereof. Such statement shall be published once. No right of action or defense founded upon the invalidity of any such election shall be asserted, nor shall the validity of any such election be open to question in any court upon any ground whatever, except in an action or proceeding commenced within thirty days after the publication of such statement.

Sec. 6. Each district shall be deemed to be a public body and body politic and corporate exercising public and essential governmental functions to provide for the preservation and promotion of the public health and welfare, and each district is hereby authorized and empowered:

- (a) to adopt bylaws for the regulation of its affairs and the conduct of its business not in conflict with this or other law;
- (b) to adopt an official seal and alter the same at pleasure;
- (c) to maintain an office at such place or places in the district as it may designate;
- (d) to sue and be sued in its own name, plead and be impleaded;
- (e) to acquire, lease as lessor or lessee, construct, reconstruct, improve, extend, enlarge, equip, repair, maintain and operate any sewerage system or part thereof within or without the district; provided, however, that no such sewerage system or part thereof shall be located in any city, town or incorporated village outside the district except with the consent of the governing body thereof, and each such governing body is hereby authorized to grant such consent;
- (f) to issue general obligation bonds and revenue bonds of the district as hereinafter provided to pay the cost of a sewerage system or systems;
- (g) to issue general obligation refunding bonds and revenue refunding bonds of the district as hereinafter provided;
- (h) to fix and revise from time to time and to collect rents, rates, fees and other charges for the use of or for the services and facilities furnished by any sewerage system;
- (i) to cause taxes to be levied and collected upon all taxable property within the district sufficient to meet the obligations of the district, to pay the cost of maintaining, repairing and operating any sewerage system or systems, and to pay all obligations incurred by the district in the performance of its lawful undertakings and functions;
- (j) to acquire in the name of the district, either within or without the corporate limits of the district, by gift, purchase or the exercise of the right of eminent domain, which right shall be exercised in accordance with the provisions of Chapter 40 of the General Statutes of North Carolina, any improved or unimproved lands or rights in land, and to acquire such personal property, as it may deem necessary in connection with the acquisition, construction, reconstruction, improvement, extension, enlargement, repair, equipment, maintenance or operation of any sewerage system, and to hold and dispose of all real and personal property under its control;
- (k) to make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the execution of its powers under this Act, including a trust agreement or trust agreements securing any revenue bonds issued hereunder;
- (l) to employ such consulting and other engineers, superintendents, managers, construction and financial experts, accountants, attorneys, employees and agents as may, in the judgment of the district board be deemed necessary, and to fix their compensation; provided, however, that the provisions of Section 159-20, General Statutes, shall be complied with to the extent that the same shall be applicable;
- (m) to receive and accept from the United States of America or the State of North Carolina or any agency or instrumentality thereof loans, grants, advances or contributions for or in aid of the planning, acquisition, construction, reconstruction, improvement, extension, enlargement, repair, equipment, maintenance or operation of any sewerage system or systems, to agree to such reasonable conditions or requirements as may be imposed, and to receive and accept contributions from any source of either

money, property, labor or other things of value, to be held, used and applied only for the purposes for which such loans, grants, advances or contributions may be made; and

(n) to do all acts and things necessary or convenient to carry out the powers granted by this Act.

Each district shall keep its account on the basis of a fiscal year commencing on the first day of July and ending on the thirtieth day of June of the following year.

Sec. 7. Each district is hereby authorized and empowered to issue its general obligation bonds or revenue bonds, at one time or from time to time, for the purpose of providing funds for paying all of any part of the cost of a sewerage system or systems.

Sec. 8. The issuance of general obligation bonds of a district may be authorized by an order of the district board which shall state:

- (a) In brief and general terms, the purpose for which the bonds are to be issued.
- (b) The maximum aggregate principal amount of the bonds.
- (c) That a tax sufficient to pay the principal of and the interest on the bonds when due shall be annually levied and collected on all taxable property within the district.
- (d) That the order shall take effect when and if it is approved by a majority of the qualified voters of the district voting at an election thereon.

Sec. 9. Any general obligation bonds of a district may be additionally secured by a pledge of the revenues of the sewerage system or any portion thereof. In the discretion of the district board the order authorizing any such general obligation bonds may state that there may be pledged to the payment of the bonds and the interest thereon revenues of the sewerage system available therefor if and to the extent that the district board shall thereafter determine by resolution prior to the issuance of bonds, and that a tax sufficient to pay the principal of and the interest on the bonds shall be annually levied and collected on all taxable property within the district but in the event that any revenues of the sewerage system shall be pledged to the payment of the bonds such tax may be reduced by the amount of such revenues available for the payment of such principal and interest.

Sec. 10. After an order authorizing general obligation bonds takes effect, bonds may be issued in conformity with its provisions at any time within five (5) years after the order takes effect, unless the order shall within such period have been repealed by the district board, which repeal is permitted (without the privilege of referendum upon the question of repeal) unless notes shall have been issued in anticipation of the receipt of the proceeds of the bonds and shall be outstanding.

Sec. 11. An order authorizing general obligation bonds shall be published in a newspaper circulating in the district once in each of two successive weeks after its passage. A notice substantially in the following form shall be published with the order:

The foregoing order was passed by the sewerage district board of the Metropolitan Sewerage District of County on the day of, 19....., and was first published on the day of, 19..... .

Any action or proceeding questioning the validity of said order must be commenced within thirty (30) days after the first publication of said order.

.....

Secretary

Any action or proceeding in any court to set aside an order authorizing general obligation bonds, or to obtain any other relief upon the ground that such order is invalid, must be commenced within thirty (30) days after the first publication of the order and said notice. After the expiration of such period of limitation, no right of action or defense founded upon the invalidity of the order shall be asserted, nor shall the validity of the order be open to question in any court upon any ground whatever, except in an action or proceeding commenced within such period.

Sec. 12. Upon the adoption of an order authorizing general obligation bonds, the district board shall request the board of commissioners to call an election within the district on the issuance of such bonds.

The date of any such election, the election officers, the polling place or places and the election precinct or precincts shall be determined by the board of commissioners which shall also provide any necessary registration and polling books, and the expenses of holding any such registration and election shall be paid from funds of the district.

Notice of any such election shall be given by publication once a week for three successive weeks, the first publication to be at least thirty (30) days before any such election, in a newspaper circulating in the district. Such notice shall state briefly the purpose for which the bonds are to be issued, the maximum amount of the bonds, that a tax will be levied for the payment thereof and the date of the election and the location of the polling place or places. If such election is the first election to be held in the district, a new registration of the qualified voters of the district shall be ordered. If an election has previously been held in the district, a new registration or a supplemental registration of all qualified voters not theretofore registered may, at the discretion of the board of commissioners, be ordered and held in accordance with the provisions for registration as herein set forth. Notice of any such registration shall be given by the board of commissioners by publication once at least thirty (30) days before the close of the registration books and such notice of registration may be considered one of the three notices required of the election. The time and manner of any such registration shall, as near as may be, conform with that of the registration of voters provided in G. S. 163-31. The notice of any such registration shall state the days on which the books will- be open for the registration of voters and the place or places at which they will be open on Saturdays. The books for any such registration shall close on the second Saturday before the election. The Saturday before the election shall be challenge day and, except as otherwise provided in this Act, any such election shall be held in accordance with the law governing general elections.

A ballot shall be furnished to each qualified voter, which ballot may contain the words "For approval of the bond order adopted by the sewerage district board of the Metropolitan Sewerage District of County on theday of,19 authorizing the issuance of not exceeding \$ general obligation bonds of said Metropolitan Sewerage District for the purpose of (briefly stating the purpose) and the levy of a tax for the payment thereof", and the words "Against approval of the bond order adopted by the sewerage district board of the Metropolitan Sewerage District

ofCounty on the day of19 , authorizing the issuance of not exceeding \$general obligation bonds of said Metropolitan Sewerage District for the purpose of (briefly stating the purpose) and the levy of a tax for the payment thereof", with squares opposite said affirmative and negative forms of the question, in one of which squares the voter may make a cross (X) mark, but this form of ballot is not prescribed.

The returns of any such election shall be canvassed by the board of commissioners and certified to the district board which shall declare the result thereof.

The district board shall prepare a statement showing the number of votes cast for and against the order and declaring the result of the election, which statement shall be signed by a majority of the members of the district board, recorded in the minutes of the district board and published once in a newspaper circulating in the district.

A notice substantially in the following form shall be published with the statement of the result of the election:

No right of action or defense founded upon the invalidity of the abovementioned election shall be asserted, nor shall the validity of such election be open to question in any court upon any ground whatever, except in an action or proceeding commenced within thirty (30) days after the publication of this statement.

.....
Secretary

Any action or proceeding in any court to set aside an election on the issuance of bonds of a district or to obtain any other relief upon the ground that such election or any proceedings or action taken with respect to the holding of such election are invalid, must be commenced within thirty (30) days after the publication of the statement of the result of the election. After the expiration of such period of limitation, no right of action or defense founded upon the invalidity of the election shall be asserted, nor shall the validity be open to question in any court upon any ground whatever, except in an action or proceeding commenced within such period.

If at such election a majority of the qualified voters who vote thereon shall vote in favor of the issuance of such bonds, such bonds may be sold and issued in the manner hereinafter provided. If the issuance of such bonds shall not be approved, the district board may, at any time thereafter, cause another election to be held for the same objects and purposes or for any other objects and purposes,

Sec. 13. At any time after a general obligation bond order has taken effect, a district may borrow money for the purposes for which the bonds are to be issued, in anticipation of the receipt of the proceeds of the sale of the bonds, and within the maximum authorized amount of the bond issue, and negotiable bond anticipation notes shall be issued for all moneys so borrowed. Such notes shall be payable not later than five (5) years after the time of taking effect of the order authorizing the bonds in anticipation of which such notes are issued. The district board may, in its discretion, retire any such notes by means of current revenues or other funds, in lieu of retiring them by means of bonds. Before the actual retirement of any such notes by any means other than the issuance of bonds, the district board shall amend such order so as to reduce the authorized amount of the bond issue by the amount of the notes to be so

retired. Such an amendatory order shall take effect upon its passage and need not be published. Any bond anticipation notes may be renewed from time to time and money may be borrowed upon bond anticipation notes from time to time for the payment of any indebtedness evidenced thereby, but all such notes shall mature not later than five (5) years after the time of taking effect of said order. The issuance of such notes shall be authorized by resolution of the district board which shall fix the actual or maximum face amount of the notes and the actual or maximum rate of interest to be paid thereon. The district board may delegate to any officer thereof the power to fix said face amount and rate of interest within the limitations prescribed by said resolution. Any such notes shall be executed in the manner herein provided for the execution of bonds.

Sec. 14. The full faith and credit of the district shall be deemed to be pledged for the punctual payment of the principal of and the interest on every general obligation bond and note issued under the provisions of this Act. There shall be annually levied and collected a tax ad valorem upon all the taxable property in the district sufficient to pay the interest on and the principal of all such general obligation bonds as such interest and principal become due; provided, however, that such tax may be reduced by the amount of other moneys actually available for such purpose. There may also be levied and collected in any year a tax ad valorem upon all the taxable property in the district (which tax shall not be subject to any limitation as to rate or amount contained in any other law) for the purpose of paying all or any part of the cost of maintaining, repairing and operating a sewerage system or systems.

Sec. 15. After each assessment for taxes following the creation of the district, the board of commissioners shall file with the district board the valuation of assessable property within the district. The district board shall then determine the amount of funds to be raised by taxation for the ensuing year in excess of available funds to provide for the payment of the interest on and the principal of all outstanding general obligation bonds as the same shall become due and payable, to pay the cost of maintaining, repairing and operating any sewerage system or systems, and to pay all obligations incurred by the district in the performance of its lawful undertakings and functions.

The district board shall determine the number of cents per one hundred dollars (\$100.00) necessary to raise said amount and certify such rate to the board of commissioners. The board of commissioners in its next annual levy shall include the number of cents per one hundred dollars (\$100.00) certified by the district board in the levy against all taxable property within the district, which tax shall be collected as other county taxes are collected, and every month the amount of tax so collected shall be remitted to the district board and deposited by the district board in a separate account in a bank in the State of North Carolina. Such levy may include an amount for reimbursing the county for the additional cost to the county of levying and collecting such taxes, pursuant to such formula as may be agreed upon by the district board and the board of commissioners, to be deducted from the collections and stated with each remittance to the district board. The officer or officers having charge or custody of the funds of the district shall require said bank to furnish security for protection of such deposits as provided in G. S. 159-28.

Sec. 16. Any resolution or resolutions authorizing the issuance of revenue bonds under this Act to finance all or any part of the cost of any sewerage system or systems, or any trust agreement or agreements securing any such revenue bonds, may contain covenants as to:

- (a) the rents, rates, fees and other charges for the use of or for the services and facilities furnished by the sewerage system or systems;
- (b) the use and disposition of the revenues of the sewerage system or systems;
- (c) the creation and maintenance of reserves or sinking funds and the regulation, use and disposition thereof;
- (d) the purpose or purposes to which the proceeds of the sale of said bonds may be applied, and the use and disposition of such proceeds;
- (e) events of default and the rights and liabilities arising thereupon, the terms and conditions upon which revenue bonds issued under this Act shall become or may be declared due before maturity, and the terms and conditions upon which such declaration and its consequences may be waived;
- (f) the issuance of other or additional bonds or instruments payable from or charged against all or any part of the revenue of a sewerage system;
- (g) any insurance to be carried on a sewerage system or any part thereof and the use and disposition of any insurance moneys;
- (h) books of account and the inspection and audit thereof;
- (i) limitations or restrictions as to the leasing or other disposition of any sewerage system while any of the revenue bonds or interest thereon remain outstanding and unpaid; and
- (j) the continuous operation and maintenance of a sewerage system.

Revenue bonds issued under this Act and payable solely from revenues of a sewerage system or systems shall not be payable from or charged upon any funds of the district other than such revenues, nor shall the district be subject to any pecuniary liability thereon. No holder or holders of any such revenue bonds shall ever have the right to compel any exercise of the taxing power to pay any such revenue bonds or the interest thereon, or to enforce payment thereof against any property of the district other than the revenues so pledged.

Sec. 17. All bonds issued under the provisions of this Act shall be dated, shall mature at such times or times not exceeding forty years from their date or dates and shall bear interest at such rate or rates not exceeding six per centum (6%) per annum, all as may be determined by the district board, and may be made redeemable before maturity, at the option of the district board, at such price or prices and under such terms and conditions as may be fixed by the district board prior to the issuance of the bonds. The district board shall determine the form and the manner of execution of the bonds, including any interest coupons to be attached thereto, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the State. In case any officer whose signature or a facsimile of whose signature shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as

if he had remained in office until such delivery, and any bond may bear the facsimile signature of, or may be signed by, such person as at the actual time of the execution of such bond shall be duly authorized to sign such bond although at the date of such bond such person may not have been such officer. Notwithstanding any other provisions of this Act or any recitals in any bonds issued under the provisions of this Act, all such bonds shall be deemed to be negotiable instruments under the laws of this State. The bonds shall be issued in coupon form, and provisions may be made by the district board for the registration of any bonds as to principal alone.

The proceeds of the bonds of each issue shall be used solely for the purpose for which such bonds shall have been authorized and shall be disbursed in such manner and under such restrictions, if any, as the district board may provide in the resolution authorizing the issuance of such bonds or in any trust agreement securing any revenue bonds.

Prior to the preparation of definitive bonds, the district board may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery, except that such interim receipts or temporary bonds shall be approved by the Local Government Commission in the same manner as the definitive bonds are approved by the Local Government Commission under the provisions of this Act. Delivery of interim receipts or temporary bonds or of the bonds authorized pursuant to this Act to the purchaser or order, or delivery of definitive bonds in exchange for interim receipts or temporary bonds, shall be made in the same manner as municipal bonds may be delivered under the provisions of the Local Government Act. The district board may also provide for the replacement of any bonds which shall become mutilated or shall be destroyed or lost.

Excepting the requirement herein that approval of the Local Government Commission shall be obtained, bonds and bond anticipation notes may be issued under the provisions of this Act without obtaining the consent of any commission, board, bureau or agency of the State or of any political subdivision, and without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required by this Act.

Sec. 18. All general obligation bonds and bond anticipation notes issued under the provisions of this Act shall be subject to the provisions of the Local Government Act.

All revenue bonds issued under the provisions of this Act shall be approved and sold by the Local Government Commission in the same manner as municipal bonds are approved and sold by the Local Government Commission, except that the Local Government Commission may sell any such revenue bonds at private sale and without advertisement if the Local Government Commission shall determine that such private sale is in the public interest, and except that, with the consent of the district board, the Local Government Commission may sell any such revenue bonds at less than par and accrued interest, but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than six per centum (6%) per annum, computed with relation to the absolute maturity or maturities of the bonds or

notes in accordance with standard tables of bond values, excluding, however, from such computation, the amount of any premium to be paid on redemption of any such bonds or notes prior to maturity.

Sec. 19. The district board may fix, and may revise from time to time, rents, rates, fees and other charges for the use of and for the services furnished or to be furnished by any sewerage system. Such rents, rates, fees and charges shall not be subject to supervision or regulation by any bureau, board, commission or other agency of the State or of any political subdivision. Any such rents, rates, fees and charges pledged to the payment of revenue bonds of the district shall be fixed and revised so that the revenues of the sewerage system, together with any other available funds, shall be sufficient at all times to pay the cost of maintaining, repairing and operating the sewerage system the revenues of which are pledged to the payment of such revenue bonds, including reserves for such purposes, and to pay the interest on and the principal of such revenue bonds as the same shall become due and payable and to provide reserves therefor. If any such rents, rates, fees and charges are pledged to the payment of any general obligation bonds issued under this Act, such rents, rates, fees and charges shall be fixed and revised so as to comply with requirements of such pledge. The district board may provide methods for collection of such rents, rates, fees and charges and measures for enforcement of collection thereof, including penalties and the denial or discontinuance of service.

Sec. 20. All pledges of revenues under the provisions of this Act shall be valid and binding from the time when such pledge is made. All such revenues so pledged and thereafter received by the district board shall immediately be subject to the lien of such pledge without any physical delivery thereof or further action, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the district, irrespective of whether such parties have notice thereof.

Sec. 21. Any holder of general obligation or revenue bonds issued under the provisions of this Act or of any of the coupons appertaining thereto, and the trustee under any trust agreement, except to the extent the rights herein given may be restricted by the resolution authorizing the issuance of such bonds or by such trust agreement, may, either at law or in equity, by suit, action, mandamus or other proceeding, protect and enforce any and all rights under the laws of the State or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by this Act or by such resolution or trust agreement to be performed by the district board or by any officer thereof, including the fixing, charging and collection of rents, rates, fees and charges for the use of or for the services and facilities furnished by a sewerage system.

Sec. 22. A district is hereby authorized to issue from time to time general obligation refunding bonds or revenue refunding bonds for the purpose of refunding any general obligation bonds or revenue bonds or bonds representing bonded indebtedness assumed by the district under the provisions of this Act or any or all of such bonds then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such bonds, and, if deemed advisable

by the district board, for the additional purpose of paying all or any part of the cost of a sewerage system. The provisions of this Act relating to general obligation bonds shall control as to any general obligation bonds issued under the provisions of this Section, insofar as such provisions may be applicable, except that an order authorizing general obligation bonds under the provisions of this Section for the sole purpose of refunding any general obligation bonds of the district or any bonds representing bonded indebtedness assumed by the district shall become effective upon its passage and need not be submitted to the voters, and the provisions of this Act relating to revenue bonds shall control as to any revenue bonds issued under the provisions of this Section insofar as the same may be applicable.

Sec. 23. The governing body of any political subdivision is hereby authorized and empowered:

(a) subject to the approval of the Local Government Commission, to transfer jurisdiction over, and to lease, lend, sell, grant or convey to a district, upon such terms and conditions as the governing body of such political subdivision may agree upon with the district board, the whole or any part of any existing sewerage system or systems or such real or personal property as may be necessary or useful in connection with the acquisition, construction, reconstruction, improvement, extension, enlargement, equipment, repair, maintenance or operation of any sewerage system by the district, including public roads and other property already devoted to public use;

(b) to make and enter into contracts or agreements with a district, upon such terms and conditions and for such periods as such governing body and the district board may determine:

(1) for the collection, treatment or disposal of sewage;

(2) for the collecting by such political subdivision or by the district of rents, rates, fees or charges for the services and facilities provided to or for such political subdivision or its inhabitants by any sewerage system, and for the enforcement of collection of such rents, rates, fees and charges; and

(3) for the imposition of penalties, including the shutting off of the supply of water furnished by any water system owned or operated by such political subdivision, in the event that the owner, tenant or occupant of any premises utilizing such water shall fail to pay any such rents, rates, fees or charges;

(c) to fix, and revise from time to time, rents, rates, fees and other charges for the services furnished or to be furnished by a sewerage system under any contract between the district and such political subdivision, and to pledge all or any part of the proceeds of such rents, rates, fees and charges to the payment of any obligation of such political subdivision to the district under such contract;

(d) to pay any obligation of such political subdivision to the district under such contract from any available funds of the political subdivision and to levy and collect a tax ad valorem for the making of any such payment; and

(e) in its discretion or if required by law, to submit to its qualified electors under the election laws applicable to such political subdivision any contract or agreement which such governing body is authorized to make and enter into with the district under the provisions of this Act.

Any such election upon a contract or agreement, may, at the discretion of the governing body, be called and held under the election laws applicable to the issuance of bonds by such political subdivision.

Sec. 24. A right of way or easement in, along, or across any State highway system, road, or street, and along or across any city or town street within a district is hereby granted to a district in case such right of way is found by the district board to be necessary or convenient for carrying out any of the work of the district. Any work done in, along, or across any State highway system, road, street, or property shall be done in accordance with the rules and regulations and any reasonable requirements of the State Highway Commission, and any work done in, along, or across any municipal street or property shall be done in accordance with any reasonable requirements of the municipal governing body.

Sec. 25. Prior to the time final plans are made for the location, construction of any sewerage system, the district board shall present preliminary plans for such improvement to the county, municipal or regional planning board for their consideration, if such facility is to be located within the planning jurisdiction of any such county, municipal or regional planning group. The district board shall make every effort to cooperate with the planning agency, if any, in the location and construction of a proposed facility authorized under this Act. Any district board created under the authority of this Act is hereby directed, wherever possible, to coordinate its plans for the construction of sewerage system improvements with the overall plans for the development of the planning area, if such district is located wholly or in part within a county, municipal or regional planning area; provided, however, that the approval of any such county, municipal or regional planning board as to any such plan of the district shall not be required.

Sec. 26. The owner or operator, including any political subdivision, of a water system supplying water to the owners, lessees or tenants of real property which is or will be served by any sewerage system owned or operated by a district is authorized to act as the billing and collecting agent of the district for any rents, rates, fees or charges imposed by the district for the services and facilities provided by such sewerage system, and such district is authorized to arrange with such owner or operator to act as the billing and collecting agent of the district for such purpose. Any such owner or operator shall, if requested by a district, furnish to the district copies of such regular periodic meter reading and water consumption records and other pertinent data as the district may require to do its own billing and collecting. The district shall pay to such owner or operator the reasonable additional expenses incurred by such owner or operator in rendering such services to the district.

Sec. 27. A district may assume all outstanding indebtedness of any political subdivision in the district lawfully incurred for paying all or any part of the cost of a sewerage system, subject to approval thereof by a majority of the qualified voters of the district voting at an election thereon. Any such election shall be called and held in accordance with the provisions of Section 12 of this Act, insofar as the same may be made applicable, and the returns of such election shall be canvassed and a statement of the result thereof prepared, recorded and published as provided in said Section 12. No

right of action or defense founded upon the invalidity of the election shall be asserted nor shall the validity of the election be open to question in any court upon any ground whatever, except in an action or proceeding commenced within thirty days after the publication of such statement of result. In the event that any such indebtedness of a political subdivision is assumed by the district, there shall be annually levied and collected a tax ad valorem upon all the taxable property in the district sufficient to pay such assumed indebtedness and the interest thereon as the same become due and payable; provided, however, that such tax may be reduced by the amount of other moneys actually available for such purpose. Such tax shall be determined, levied and collected in the manner provided by Section 15 of this Act and subject to the provisions of said Section.

Nothing herein shall prevent any political subdivision from levying taxes to provide for the payment of its debt service requirements as to indebtedness incurred for paying all or any part of the cost of a sewerage system if such debt service requirements shall not have been otherwise provided for.

Sec. 28. Any political subdivision is hereby authorized to make advances, from any moneys that may be available for such purpose, in connection with the creation of such district and to provide for the preliminary expenses of such district. Any such advances may be repaid to such political subdivision from the proceeds of bonds issued by such district or from other available funds of the district.

Sec. 29. This Act shall be deemed to provide an additional and alternative method for the doing of the things authorized hereby and shall be regarded as supplemental and additional to powers conferred by other laws, and shall not be regarded as in derogation of or as repealing any powers now existing under any other law, either general, special or local; provided, however, that the issuance of bonds under the provisions of this Act need not comply with the requirements of any other law applicable to the issuance of bonds except as herein provided.

Sec. 30. All general, special or local laws, or parts thereof, inconsistent herewith are hereby declared to be inapplicable, unless otherwise specified, to the provisions of this Act.

Sec. 31. The provisions of this Act are severable, and if any of its provisions shall be held unconstitutional by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions.

Sec. 32. This Act shall be in full force and effect from and after its ratification.

In the General Assembly read three times and ratified, this the 14th day of June, 1961.