

12-817b. Contracts with U.S. government or agencies for water supplies; subject to future nullification if state assumes certain financial obligations. Any two or more cities may enter into contracts or a single contract with the United States government or any agency thereof for a water supply or part thereof for any one or more of such contracting cities. Any such contract may provide that water shall be supplied and paid for in quotas which are automatically adjusted for population changes in such cities, or for other agreed amounts, from storage facilities or reservoirs of the United States government. Any such contract or contracts may provide for payment by such cities to the United States government for such water supply and may designate the manner in which payment obligations shall be shared among such cities.

Such contracts may run for any term not exceeding fifty (50) years: Provided, Every such contract shall contain a provision that in the event the state, through duly authorized officers, at any time declares such contract to be void, it shall immediately thereafter be void and of no effect, however, the state shall at the same time become liable for and assume the financial obligations of such contract for any cost reimbursement and maintenance expense which is provided under such contract to be paid by such municipalities to the United States government or any agency thereof, and such financial obligations shall become due at the same time and in the same amount as provided in such contract for payment by such municipalities: Provided further, Every such contract shall contain a provision that in the event that such contract is declared void pursuant to the provisions of this section, such contracting cities shall pay to the state sums of money equal to the sums of money that the state pays to the federal government as a result of such declaration, and such cities shall thereupon have rights to water similar to their rights to water under such voided contract.

History: L. 1963, ch. 78, § 2; April 23.