

**BY-LAWS
OF THE
CLIFTON PARK WATER AUTHORITY**

ARTICLE I

THE AUTHORITY

Section 1. NAME. The name of the Authority shall be the “Clifton Park Water Authority” (the “Authority”).

Section 2. DESCRIPTION. The Authority is a body corporate and politic constituting a public benefit corporation, created by and having the powers and functions set forth in Title 6-B of Article 5 of the Public Authorities Law, as amended from time to time (the “Act”).

Section 3. SEAL. The official seal of the Authority shall be in the form of a circle and shall bear the name of the Authority and the year 1990.

Section 4. OFFICE. The principal office of the Authority shall be located at 661 Clifton Park Center Road, Clifton Park, New York or at such other address as the Board directs by resolution.

ARTICLE II

MEMBERS

Section 1. MEMBERS. The membership of the Authority shall consist of such members as is provided for in the Act and each member shall continue to hold office as a member until his or her successor is appointed and qualified.

Section 2. DUTIES. The Members of the Authority shall exercise direct oversight of the business and operations of the Authority and all Authority personnel.

ARTICLE III

OFFICERS

Section 1. OFFICERS. The officers of the Authority shall be a Chairman, Vice Chairman, Secretary, Treasurer and such other officers as the Chairman may determine.

Section 2. CHAIRMAN. The Chairman shall be a member of the Authority and shall preside at all meetings of the Board. Except as otherwise authorized by Resolution of the Authority, the Chairman shall execute (manually or by facsimile signature) all agreements, contracts, deeds, bonds or other evidences of indebtedness and any other instruments of the Authority on behalf of the Authority and shall perform such other duties as may be prescribed for the Chairman by law or by the Board. At each meeting, the Chairman shall submit to the Board such recommendations and information as he or she may consider pertinent concerning the business, affairs and policies of the Authority.

Section 3. VICE CHAIRMAN. The Vice Chairman shall be a member of the Authority and shall assume and perform the powers and duties of the Chairman in case of the absence or incapacity of the Chairman. In the event of the resignation or death of the Chairman, the Vice Chairman shall become Acting Chairman and shall perform the duties of the Chairman until such time as the Town Supervisor shall appoint a new Chairman.

Section 4. SECRETARY. The Secretary shall keep all records of the Authority, shall act as secretary of the meetings of the Authority, shall keep a record of all votes and record the minutes of the Board in a journal to be kept for that purpose, shall attend to the serving of notices of meetings as required, shall keep in safe custody the seal of the Authority and shall have the power to affix such seal to all agreements, contracts, deeds, bonds or other evidences of indebtedness and to all other instruments of the Authority authorized by the Authority to be executed and shall have the power to attest (by manual or facsimile signature) such seal, attend to such correspondence as may be assigned and perform all other duties incident to the office and as may be prescribed for the Secretary by law or by the Board. The Secretary need not be a member of the Authority.

Section 5. TREASURER. The Treasurer shall be a member of the Authority and shall exercise all of the following duties unless the Authority has delegated those duties to a Chief Financial Officer (“CFO”) in accordance with and pursuant to any of the requirements of the Public Authorities Law, as amended, and/or the Public Authorities Accountability Act, as amended.

The Treasurer shall have the care and custody of the funds, deposits and securities of the Authority and shall deposit the same forthwith in the name of the Authority in such bank or banks in the State of New York as the Board shall designate. Except as otherwise authorized by resolution of the Authority, the Treasurer shall sign all checks for the payment of money by the Authority pursuant to the direction of the Authority. Except as otherwise authorized by resolution of the Authority, all such checks shall be countersigned by the Chairman. The Treasurer shall have oversight responsibility for the

books of the Authority, including regular books of accounts showing receipts and expenditures, and shall render to the Authority at each regular meeting an account of the financial transactions and the current financial condition of the Authority. The Treasurer shall have such other powers and duties as are conferred upon the Treasurer by law or by the Board. The Treasurer shall not be required to give bond for the faithful performance of the duties of his/her office unless so directed by the Board. Should the Board require such bond to be given by the Treasurer, the Board shall determine the amount of the bond and the premium therefore shall be paid by the Authority.

Section 6. ADDITIONAL DUTIES. The officers of the Authority shall perform their duties as identified in these By-Laws and such other duties and functions as may from time to time be authorized by Resolution of the Authority or be required by the Authority or by the policies and/or rules and regulations of the Authority or, in the absence of the Board, by direction of the Chairman.

Section 7. APPOINTMENT OF OFFICERS. The Chairman shall be appointed by the Clifton Park Town Supervisor as provided in the Act. All other officers of the Authority shall be annually appointed by the Chairman at the yearly organizational meeting of the Authority. Officers shall hold their offices for one year or until their successors are appointed. If the term of an Authority member shall terminate, his or her term of office as an officer shall also terminate.

Section 8. VACANCIES. Should any office become vacant, the Chairman shall appoint a successor at the next regular meeting, and such appointment shall be for the unexpired term of said office.

Section 9. ADDITIONAL PERSONNEL. The Authority shall designate and appoint all officers and personnel as may be required by the Public Authorities Law, as amended, and/or the Public Authorities Accountability Act, as amended, including but not limited to, a Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”).

The Authority may from time to time employ such personnel, including private consultants, as it deems desirable or necessary to exercise its powers, duties and functions pursuant to the Public Authorities Law, as amended, and all other laws of the State of New York applicable thereto.

The Authority may retain special and/or general counsel to provide such legal assistance and advice to the Authority as may be necessary and desirable.

The selection and compensation of all personnel shall be determined by the Authority subject to the laws of the State of New York.

Section 10. REMOVAL. Any officer elected or appointed by the Chairman may be removed by the Chairman with or without cause.

ARTICLE IV

GENERAL PROVISIONS

Section 1. FISCAL YEAR. The fiscal year of the Authority shall begin on the first day of January of each year.

Section 2. ANNUAL MEETING. The annual organizational meeting of the Board shall be held at 7:00 p.m. (local time) on the first Wednesday following the first meeting of the Clifton Park Town Board in January of each year at the office of the Authority in the Town of Clifton Park. In the event such day shall fall on a legal holiday,

the annual meeting shall be held at the same time on the next succeeding day that is not a legal holiday.

Section 3. REGULAR MEETINGS. Regular meetings of the Board shall be held at such times and places as from time to time may be determined by the Board. No notice to the members of the Authority or, except as otherwise required by law, to the public shall be required for regular meetings of the Authority when the time and place of said regular meetings have been fixed at a previous meeting of the Authority.

Section 4. SPECIAL MEETINGS. The Chairman may, when the Chairman deems it desirable, and shall, upon the written request of three (3) members of the Board, call a special meeting of the Board for the purpose of conducting any business designated in the call and, if all members are present and none object, any other business may also be conducted. The call for a special meeting may be delivered via email or fax to each member of the Board at least one day before such special meeting or may be mailed to the business or home address of each such member at least three days prior to the date of such special meeting.

Section 5. ADJOURNMENT OF MEETINGS. Any regular or special meeting may be adjourned to any other time at the will of a majority of the members of the Board present and voting at such meeting.

Section 6. WAIVER OF NOTICE. Failure to give notice of any meeting of the Board to any member of the Board may be waived by such member. Notice of any adjourned meeting need not be given to any member present at the time of the adjournment.

Section 7. QUORUM. At all meetings of the Authority, a majority of the members of the Authority shall constitute a quorum for the purpose of transacting business. No action shall be taken by the Board except pursuant to the favorable vote of at least three members of the Board provided, however, that a majority of the members present, whether or not a quorum is present, may adjourn any meeting to another time or place.

Section 8. ORDER OR BUSINESS. The order of business at regular meetings shall be:

- (a) Roll call and determination of quorum.
- (b) Public privilege.
- (c) Reports of committees.
- (d) Old or unfinished business.
- (e) New business.
- (f) Approval of the minutes of previous meeting.
- (g) Adjournment.

The order of business may be altered or suspended at any meeting by the members of the Authority. Except as otherwise provided by the members of the Authority, all resolutions shall be in writing and shall be copied in or attached to the journal of the proceedings of the Authority.

Section 9. MANNER OF VOTING. The voting on all questions coming before the Authority shall be by roll call and the ayes and nays shall be entered on the minutes of such meeting except in the case of appointments when the vote may be by

ballot. Any action of the Authority shall be binding upon determination by a majority of the entire membership of the Authority.

Section 10. COMMITTEES.

(a) There shall be the following standing committees of the Board of Directors:

(i) An Audit Committee whose duties and responsibilities shall be to maintain general familiarity with corporate financial and accounting practices and recommend to the Board the hiring of a CPA firm, establish compensation to be paid to the CPA firm and provide direct oversight of the performance of the independent annual audit performance by the CPA firm.

(ii) A Governance Committee whose duties and responsibilities shall be to keep the Board informed of current best governance practices, review corporate governance trends, update the Authority's governance principles and render advice to appointing authorities on the skills and experiences required of potential board members.

(iii) A Grievance Committee whose duties and responsibilities shall be to review grievances submitted by Authority customers related to billing or other operations of the Authority.

(b) There may be special or temporary committees as the Board may deem desirable and authorize.

(c) Each committee shall consist of a chair and two or more other directors who shall be appointed by and serve at the pleasure of the Chairman. The Chairman shall be an ex-officer member of each committee.

(d) The committees shall hold meetings in accordance with the procedures set forth in these by-laws for meetings of the board.

Section 11. EXECUTION OF INSTRUMENTS. All instruments and documents of the Authority shall be signed or countersigned, executed, verified or acknowledged by such officer or official or other person or persons as provided in these by-laws or as the Board may from time to time designate by resolution.

Section 12. DEFINITIONS. Capitalized words or terms not otherwise defined herein shall have the meaning ascribed to them in the Act.

ARTICLE V

INDEMNIFICATION OF MEMBERS, OFFICERS AND EMPLOYEES

Section 1. GENERAL SCOPE OF INDEMNIFICATION. The Authority shall, to the fullest extent permitted by law, provide for, hold harmless from, and indemnify any person (and his/her administrators, executors, personal representatives and heirs) made, or threatened to be made, a party to any action or proceeding, whether civil or criminal in nature, by reason of the fact that such person is or was a member, officer or employee of the Authority or who served, at the request of the Authority, as an officer or employee of any subsidiary of the Board, against judgments, costs, penalties, fines, amounts paid in settlement and reasonable expenses, including attorney's fees, actually and necessarily incurred as a result of such action or proceeding (including any appeal therein), provided such member, officer or employee acted in good faith for a purpose which such person reasonably believed to be in the best interest of the Authority and, in

criminal actions or proceedings, had no reasonable cause to believe that any action taken by or conduct of such person was unlawful.

Section 2. PRESUMPTION. The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such member, officer or employee did not act in good faith for a purpose which such person reasonable believed to be in the best interests of the Authority or that such person had reasonable cause to believe that no such action or conduct was unlawful.

ARTICLE VI

AMENDMENTS TO BY-LAWS

Section 1. The by-laws of the Authority may be amended only with the approval of at least a majority of all of the members of the board at a regular or a special meeting, but no such amendment shall be adopted unless at least seven days written notice thereof has been previously given to all members of the Authority.