



BY-LAWS
OF THE
SARATOGA COUNTY WATER AUTHORITY

A public benefit corporation created by Chapter 678 of the Laws of 1990.

PREAMBLE

The New York State Legislature by Chapter 678 of the Laws of 1990, as set forth in Public Authorities Law sec. 1199-aaa et. seq., made a legislative declaration as follows: "It is hereby determined and declared that the authority and the carrying out of its powers, purposes and duties are in all respects for the benefit of people of the county of Saratoga and the state of New York, for the improvement of their health, welfare and prosperity and that the said purposes are public purposes and that the authority is and will be performing an essential governmental function in the exercise of the powers conferred upon it by this title".

ARTICLE I
GOVERNING STATUTE

Consistency With NYS PAL sec. 1199-aaa et. seq. The provisions of these By-Laws are made pursuant to the aforementioned enabling legislation. Specifically, PAL sec. 1199-eee (21) allows this Board "To make bylaws for the management and regulation of its affairs ...". As such, any provisions set forth in these By-Laws shall be consistent therewith.

ARTICLE II
MEETINGS

1. Annual Meeting: The annual meeting of the members of the Saratoga County Water Authority for the election of officers and the transaction of such other business as may properly come before it shall be held at the offices of the Saratoga County Board of Supervisors, Ballston Spa, New York or such other location as may be designated by the Chairman, during the month of January on such date and time as may be designated by the Chairman.

2. Regular Meetings: All regular meeting of the Authority shall be held at the offices of the Saratoga County Board of Supervisors, Ballston Spa, New York or such other location as may be designated by the Chairman, or, in his absence, by the Vice-Chairman, in Saratoga County, New York at such time and date as may be designated by the Chairman, subject to the approval of the majority of the Board.

3. Special Meeting: Special meetings may be held at any time or place in Saratoga County, New York on twenty-four (24) hours notice to each member of the Authority, or upon shorter notice by written waiver of notice of such meeting signed by each member of the Authority. Special meetings may be called by written request of any two (2) members; or by the Chairman, or in his absence, by the Vice-Chairman.

4. Matters to be Considered Regular and special meetings shall be open to the

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260 Butler Rd.
GANSEVOORT, NY 12831

consideration of any matter which may be properly brought to the attention of the Authority.

5. Waiver: Notwithstanding any provision of the foregoing, a meeting of members of the Authority may be held at any time and at any place within the State of New York, and any action may be taken thereat, if notice and lapse of time be waived, in writing, by each member of the board of directors of the Authority.

6. Order of Business: Shall be as follows:

- 1 . Roll Call
- 2 . Reading of minutes of preceding meeting to the end that any correction, alteration or addition may be made
- 3 . Approval of minutes
- 4 . Reports of members of Authority, officers or experts retained by the Authority
- 5 . Communication and bills
- 6 . New business
- 7 . Unfinished business
- 8 . Adjournment

ARTICLE III **GOVERNING BOARD OF WATER AUTHORITY**

Composition and Term. Per NYS PAL sec. 1199-ddd(1) the Authority shall be governed by the Board. The seven member board shall manage the Authority in accordance with the duties and powers set forth in Title 8-F of the Public Authorities Law. Members shall be appointed for two year terms. The members of the Authority shall receive no salary, fee or other compensation for their services, except they may receive reimbursement of their actual and necessary expenses incurred in furtherance of the discharge of their duties. Members shall have no interest in any contract with the Authority. Vacancies shall be filled in the manner consistent with §1199-ddd. Vacancies occurring other than by expirations of terms of office shall be filled by appointment for the unexpired terms.

ARTICLE IV **OFFICERS OF WATER AUTHORITY**

1. Composition and Term. The composition and term of the officers of the Authority shall be as set forth in NYS PAL sec. 1199-ddd(3). The officers of the Authority shall consist of a Chairman, a Vice- Chairman and a Treasurer, who shall be members of the board, and a Secretary, who need not be a member of the Board. The Executive Director shall also be an officer but shall not be a member of the Board. The officers of the Authority shall be appointed by the board and shall serve in such capacities at the pleasure of the Board. Moreover, per NYS PAL sec. 1199-ddd(3) "... the board may appoint and at pleasure remove such additional officers and employees as it may deem necessary for the performance of the powers and duties of the authority, which positions shall be in the exempt class of the civil service, and fix and determine the qualifications, duties and compensation of such additional officers and employees, subject to the provisions of the civil service law of the state and such rules and regulations as the personnel

officer may adopt and make applicable to the authority ..." All officers shall serve until their successor is elected. The Authority may also from time to time contract for expert professional services.

2. Chairman: The Chairman shall preside at all meetings of the Authority. He may sign and execute all contracts in the name of the Authority and all notes, bonds or other evidences of indebtedness when so authorized by resolution of the Authority and be an ex-officio member of all committees. The Chair shall appoint all committees.

3. Vice-Chairman: The Vice-Chairman shall, in the absence or incapacity of the Chairman, perform the duties of that officer. When so acting, the Vice-Chairman shall have all the powers and duties hereby given or to be imposed upon the Chairman.

4. Secretary: The Secretary shall maintain the books and records of the Authorities formal actions and transactions. In addition, the secretary shall have the following specific powers and duties:

1. To record or see to the proper recording of the minutes and transactions of all meetings of the Board and its Committees and to maintain separate minute books at the principal office of the Authority, or such other place as the Board may order, of all such meetings in the form and manner required by law.

2. To keep at the principal office, open to inspection at all reasonable times, the original or a certified copy of the By-Laws of the Authority as amended or otherwise altered to date.

3. To keep the seal of the Authority and affix it to all papers and documents requiring a seal, and to attest by his or her signature all documents of the Authority requiring the same.

4. To attend to the giving and serving of all notices of the Authority required by law or these by-laws to be given.

5. To attend to such correspondence and make such reports as may be assigned to him or her.

In addition to the foregoing, the Secretary shall have such other powers, duties, and authority incident to his/her office or as may be set forth elsewhere in these bylaws and as may be prescribed by the Chairman or Board from time to time.

5. Treasurer: The Treasurer shall be responsible for overseeing the management of all monies of the Authority including the receipt, investment, and disbursement of all monies and the preparation of all necessary financial statements and business forms required to be filed with governmental authorities in accordance with the direction of the Board. The Treasurer or his designee shall provide to the Board a monthly report on the financial condition of the Authority. He/she shall execute a bond conditioned upon the faithful performance of the duties of his/her

office, the amount and sufficiency of which shall be approved by the Board and the premium paid by the Authority, or, in the alternative, the Authority may procure liability insurance in an amount and upon such terms as it deems sufficient and pay the premium therefore. The Treasurer shall prepare or cause to be prepared an annual report of the Authority as required by Section 2800 of the Public Authorities Law and cause it to be submitted to the appropriate persons and/or bodies as required in said Section 2800.

6. Deputy Treasurer: The Deputy Treasurer shall have all the duties, responsibilities and authority of the Treasurer, but may act only when the Treasurer is absent, unavailable or where the Treasurer is prevented from performing his/her duties due to a conflict of interest or potential conflict of interest. Like the Treasurer, the Deputy Treasurer must execute a bond conditioned upon the faithful performance of the duties of his/her office, the amount and sufficiency of which shall be approved by the Board and the premium paid by the Authority or, in the alternative, the Authority may procure liability insurance in an amount and upon such terms as it deems sufficient and pay the premium thereof.

7. Members of the Board of the Authority: The members of the board of the Authority shall have the control and management of the affairs of the Authority and may adopt such rules and regulations for the conduct of their meetings and the management of the Authority as they may deem proper, not inconsistent with law or these By-Laws.

ARTICLE V SPECIAL COMMITTEES

1. Audit Committee: The Audit Committee shall recommend the hiring of a certified independent accounting firm for the Authority, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes. The membership of the Audit Committee shall be at least three independent members of the Board, who shall be familiar with corporate financial and accounting practices to the extent practicable. Notwithstanding the foregoing, no Board Member shall serve as a member of the Audit Committee who has:

- (a) in the past two years been employed by the Authority or an affiliate in an executive capacity, in the past two years been employed by an entity that received remuneration valued at more than \$15,000 for goods and services provided to the Authority or received any other form of financial assistance valued at more than \$15,000 from the Authority,
- (b) is a relative of an executive officer or employee in an executive position of the Authority or an affiliate, or
- (c) in the past two years has been a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations, or any other similar actions of the Authority or an affiliate.

The Audit Committee shall meet at such times as the Chairman of the Audit Committee directs. The Audit Committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of the Authority. The Audit Committee's financial expert should have 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; 4) experience with internal accounting controls and, 5) an understanding of Audit Committee functions

In furtherance of its duties, the Audit Committee shall appoint, compensate, and oversee the work of any public accounting firm employed by the Authority, conduct or authorize investigations into any matters within its scope of responsibility, seek any information it requires from Authority employees (all of whom should be directed by the board to cooperate with committee requests), meet with Authority staff, independent auditors or outside counsel, as necessary and retain, at the Authority's expense, such outside counsel, experts and other advisors as the Audit Committee may deem appropriate. The Board will ensure that Audit Committee has sufficient resources to carry out its duties.

The Audit Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all their obligations and duties. The Audit Committee will meet with the Authority's independent auditor at least annually to discuss the financial statements of the Authority. The Audit Committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded.

The Audit Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) oversight of management's internal controls, compliance and risk assessment practices; (c) special investigations and whistleblower policies; and (d) miscellaneous issues related to the financial practices of the Authority.

A. Independent Auditors and Financial Statements

The Audit Committee shall:

- Appoint, compensate and oversee independent auditors retained by the Authority and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Authority's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Audit Committee. Non-audit services include tasks that directly support the Authority's operations, such as bookkeeping or other services related to the accounting records or financial statements of the authority, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.

- Review and approve the Authority's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Controls, Compliance and Risk Assessment

The Audit Committee shall:

- Review management's assessment of the effectiveness of the Authority's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

C. Special Investigations

The Audit Committee shall:

- Ensure that the Authority has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the authority or any persons having business dealings with the authority or breaches of internal control.
- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or, other investigatory organization.)
- Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

D. Other Responsibilities of the Audit Committee

The Audit Committee shall:

- Present annually to the Authority's board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Obtain any information and training needed to enhance the committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the committee's duties and responsibilities annually, reassess their adequacy, and recommend any proposed changes to the Board of the Authority. The Audit Committee's duties and responsibilities will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with their duties and responsibilities and request the Board approval for proposed changes.
- Formulate and comply with an Audit Committee Charter.

2. Governance Committee: The Governance Committee shall consist of at least three independent members of the Board informed of current best governance practices, review corporate governance trends, update the Authority on corporate governance principles and advise the Board on the skills and experience required of potential Board members. Notwithstanding the foregoing, no Board member shall serve as a member of the Governance Committee who has:

- (a) in the past two years been employed by the Authority or an affiliate in an executive capacity,
- (b) in the past two years been employed by an entity that received remuneration valued at more than \$15,000 for goods and services provided to the Authority or received any other form of financial assistance valued at more than \$15,000 from the Authority,
- (c) is a relative of an executive officer or employee in an executive position of the Authority or an affiliate, or
- (d) in the past two years has been a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations, or any other similar actions of the Authority or an affiliate.

The Board has delegated to the Governance Committee the power and authority necessary to discharge its duties, including the right to meet with and obtain any information it may require from authority staff, obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the Committee deems necessary, solicit, at the Authority's expense, persons having special competencies, including legal, accounting or other consultants as the Committee

deems necessary to fulfill its responsibilities. The Governance Committee shall have the authority to negotiate the terms and conditions of any contractual relationship subject to the Board's adopted procurement guidelines per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

The Governance Committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. The Governance Committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings are to be recorded. The Governance Committee shall comply with the Governance Committee Charter.

3. Personnel Committee: The Personnel Committee shall formulate such guidelines and rules as it deems necessary for the management of the Authority's employees and oversee the management of the Authority's employees, including policies and recommendations to the Governance Committee regarding the payment of salary, formulating policies concerning compensation, reimbursements, as well as establishing rules for time and attendance of all employees. The membership of the Personnel Committee shall be such members of the Board as selected by the Chairman. Notwithstanding the foregoing, no Board members shall serve as a member of the Personnel Committee who has:

- (a) in the past two years been employed by the Authority or an affiliate in an executive capacity,
- (b) in the past two years been employed by an entity that received remuneration valued at more than \$15,000 for goods and services provided to the Authority or received any other form of financial assistance valued at more than \$15,000 from the Authority,
- (c) is a relative of an executive officer or employee in an executive position of the Authority or an affiliate, or
- (d) in the past two years has been a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations, or any other similar actions of the Authority or an affiliate.

The Personnel Committee shall meet at such times as the Chairman of the Personnel Committee directs.

4. Finance Committee: The Finance Committee shall oversee matters relating to the finances of the Authority. The membership of the Finance Committee shall be such members of the Board as selected by the Chairman. Notwithstanding the foregoing, no Board members shall serve as a member of the Finance Committee who has:

- (a) in the past two years been employed by the Authority or an affiliate in an executive capacity,
- (b) in the past two years been employed by an entity that received remuneration valued at more than \$15,000 for goods and services provided to the Authority or received any other form of financial assistance valued

- (c) at more than \$15,000 from the Authority, is a relative of an executive officer or employee in an executive position of the Authority or an affiliate, or
- (d) in the past two years has been a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations, or any other similar actions of the Authority or an affiliate.

The Finance Committee shall meet at such times as the Chairman of the Finance Committee directs.

5. Other Committees. The Chairman may appoint such other committees as he deems appropriate.

ARTICLE VI CONTRACTS, CHECKS, DEPOSITS, AND GIFTS

1. Contracts. The Board of the Authority may authorize any officer or officers or agent or agents of the Authority, in addition to, but not limited to, the officers so authorized by these By-Laws, which include the Chairman and Executive Director, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or may be confined to specific instances.

2. Checks, Drafts, or Orders. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority, shall be signed by such officer or officers or agent or agents of the Authority, and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Treasurer or Chairperson or Executive Director of the Authority, provided the Executive Director is an employee of the Authority.

3. Deposits. All funds of the Authority shall be deposited from time to time to the credit of the Authority in such banks, trust companies, or other depositories as the Board may select in accordance .

4. Gifts. The Board may accept on behalf of the Authority any contribution, gift, bequest, or devise for any purpose of the Authority.

ARTICLE VII BOOKS AND RECORDS

The Authority shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board, and Committees having and exercising any of the authority of the Board. All books and records of the Authority may be inspected by any Board member, or his agent or attorney, for any proper purpose at any reasonable time.

ARTICLE VIII
AUDIT OF BOOKS

A qualified auditing firm shall be designated as auditors by the Audit Committee prior to the Authority's close of business for each fiscal year to audit and examine the books of account of the Authority, and to certify and report in writing to the Audit Committee and Board the annual balances and condition of such books as prepared at the close of the fiscal year. No Member of the Board, Audit Committee or officer and no firm or corporation of which any officer or member of the Board is a member, shall be eligible to serve as auditor. The compensation of the auditors shall be determined by agreement between the Audit Committee and the auditing firm at the time of its employment and the terms of the employment, including compensation, reduced to writing.

ARTICLE IX
EXECUTIVE DIRECTOR

There shall be an Executive Director appointed by the Board at an annual salary to be set by the Board or contracted by the Board at an annual contract amount. The Executive Director shall be in charge of operations and maintenance of the water system of the Authority and all of its facilities, with such specific powers and functions as the Board may from time to time direct. The Executive Director shall be responsible for the overall oversight of staff as provided in the annual budget with the assistance of any personnel do designated by the Board. The Executive Director shall be responsible for the preparation of the annual budget, the timely issuance of invoices for water usage, and the approval of all expenditures for goods and services, travel, and other expenditures as provided in the annual budget. The Executive Director shall be responsible for the receipt of funds and assist in the disbursement of funds and the preparation and maintenance of all accounting records, financial statements, and all other necessary reports, tax returns and forms required to be filed with governmental authorities as directed by the Board as well as such other tasks as designated by the Board of Directors. The term and salary of the Executive Director shall be set by the Board.

ARTICLE X
ADDITIONAL EMPLOYEES/PERSONNEL

The Authority may from time to time employ such personnel as it may deem necessary to exercise its powers, duties and functions as prescribed by law. The selection and compensation of such personnel shall be determined by the Authority subject to the laws of the State of New York and all applicable hiring requirements as set forth in the various grant documents.

ARTICLE XI
DEFENSE AND INDEMNIFICATION

Section 1. Right of Indemnification. Each Director and officer of the Authority, whether or not then in office, and any person whose testator or intestate was such a Director or officer, will be indemnified by the Authority for the defense of, or in connection with, any threatened, pending or completion actions or proceedings and appeals therein, whether civil, criminal, administrative or investigative, in accordance with and to the fullest extent permitted by the Section 18 of the Public Officers Law of the State of New York or other applicable law, as such law now exists or may hereafter be adopted or amended; provided, however, that the Authority will provide indemnification in connection with an action or proceeding (or part thereof) initiated by such a Director or officer only if such action or proceeding (or part thereof) was authorized by the Board.

Section 2. Advancement of Expenses. (A) Expenses incurred by a Director or officer in connection with any action or proceeding as to which indemnification may be given under Section 1 of this Article may be paid by the corporation in advance of the final disposition of such action or proceeding upon (1) the receipt of an undertaking by or on behalf of such Director or officer to repay such advancement in case such Director or officer is ultimately found not to be entitled to indemnification as authorized by this Article and (2) approval by the Board.

(B) To the extent permitted by law, the Board will not be required to find that the Director or officer has met the applicable standard of conduct provided by law for indemnification in connection with such action or proceeding before the Authority makes any advance payment of expenses hereunder.

Section 3. Availability and Interpretation. To the extent permitted under applicable law, the rights of indemnification and to the advancement of expenses provided in this Article (A) will be available with respect to events occurring prior to the adoption of this Article, (B) will continue to exist after any rescission or restrictive amendment of this Article with respect to events occurring prior to such rescission or amendment, (C) will be interpreted on the basis of applicable law in effect at the time of the occurrence of the event or events giving rise to the action or proceeding or, at the sole discretion of the Director or officer (or, if applicable, at the sole discretion of the testator or intestate of such Director or officer seeking such rights), on the basis of applicable law in effect at the time such rights are claimed and (D) will be in the nature of contract rights that may be enforced in any court of competent jurisdiction as of the Authority and the Director or officer for whom such rights are sought were parties to a separate written agreement.

Section 4. Other Rights. The rights of indemnification and to the advancement of expenses provided in this Article will not be deemed exclusive of any other rights to which any Director or officer of the Authority or other person may now or hereafter be otherwise entitled, whether contained in these by-laws, a resolution of the Board or an agreement providing for such indemnification, the creation of such other rights being hereby expressly authorized. Without limiting the generality of the foregoing, the rights of indemnification and to the advancement of expenses provided in this Article will not be deemed exclusive of any rights, pursuant to statute

or otherwise, of any Director or officer of the Authority or other person in any action or proceeding to have assessed or allowed in his or her favor, against the Authority or otherwise, his or her costs and expenses incurred therein or in connection therewith or any part thereof.

Section 5. Severability. If this Article or any part hereof is held unenforceable in any respect by a court of competent jurisdiction, it is deemed modified to the minimum extent necessary to make it enforceable, and the remainder of this Article will remain fully enforceable. Any payments made pursuant to this Article will be made only out of funds legally available therefor.

ARTICLE XII **COMPLIANCE WITH VARIOUS PRIOR AGREEMENTS**

It shall remain the policy and obligation of the Board to comply with all prior agreements and obligations, including, but not limited to, the Service Agreement and Memorandum of Understanding with the County of Saratoga and all agreements and obligations previously entered into by the Authority.

ARTICLE XIII **AMENDMENTS**

These By-Laws may be repealed or amended by the Authority by a majority vote of all members of the board at any duly called regular or special meeting of the Authority, provided, however that any motion to repeal or amend these By-Laws shall not be adopted until the same has laid on the table until the next succeeding regular meeting.

ARTICLE XIV **SEAL**

The seal of the Authority shall be circular in form and shall bear the name of the Saratoga County Water Authority.

**Secretary's Certification
of
By-Laws of the Saratoga County Water Authority**

The undersigned, being the Secretary of the Saratoga County Water Authority, does hereby certify, pursuant to Section 1199-eee(21) of the Saratoga County Water Authority Act, that the attached By-Laws are the By-Laws of the Saratoga County Water Authority, duly enacted at a meeting of said Authority convened September 29, 2016.

Dated: September 29, 2016


Carol Alden, Secretary

