ALBANY WATER BOARD

MISSION STATEMENT

The Department of Water and Water Supply will deliver a reliable and high quality supply of water to our customers, including fire protection; we will collect and safely convey wastewater to treatment facilities and comply with all of our regulatory permit requirements and conditions; we will provide a safe work environment for our employees; we will provide courteous, responsive and professional service to our customers and a work environment that is supportive and respectful of each other.

Adopted by AWB: September 25, 2015

Resolution: 15-33

Albany Water Board

Water Bill Modification Policy

The Albany Water Board recognizes that leaks, accidents or mishaps can occur within a home which results in an isolated, unusually high water and sewer utility bill. The purpose of this policy is to provide redress by way of a one-time modification of an abnormally high water and sewer bill due to a leak, mishap, and accident or for reasons unknown which occur on or outside the billed premises. This one-time modification shall be applied to one billing cycle. The modification shall not be used to provide relief for any property owner who intentionally uses a considerably larger volume of water in any one billing cycle than is usual for that property owner. Further, this policy shall only apply to bills which were calculated based on an actual meter reading during that billing cycle.

Who Is Eligible?

This program is available to the owner of any single family or two family dwelling which is owner occupied and in the City of Albany. Industrial, institutional, governmental or charitable organizations are not eligible under this policy. Only property owners who are currently listed on the current water and sewer billing account are able to claim redress under this policy. To be eligible for this program the applying property owner must have an up to date account with no current delinquencies.

How Much of My Bill Will Be Forgiven?

The program will only provide limited modification of your water bill. Only that portion of your water bill which is five (5) times over the average consumption will be considered for modification. Average consumption will be derived at by looking at the owner's total bills over the three previous billing cycles (one year worth of bills).

For example, if you received a $500.00 water bill for your current billing cycle, but your average bill over the previous three billing cycles was $50.00, you would be responsible for the first $250.00 of your bill and the remaining $250.00 would be forgiven. This is derived at by taking the average over the last three billing cycles ($50.00) and multiplying by 5 ($50.00 x 5 = $250.00). Therefore, $250.00 is the maximum payment you will have to make on your current bill. That is, under this example you will have $250.00 of your bill forgiven ($500.00 - $250.00 = $250.00).

Do I Have to Apply for the Exemption?

YES. The Albany Water Board will treat any request to change a water bill as a request to dispute a bill. Pursuant to City Code Section 41-117(B), any request to dispute a water bill must be made in writing within thirty (30) days of receipt of the bill. Water Bill complaint forms can be found in City Hall, 24 Eagle Street at the City Clerk's Office located in Room 202, and online at www.albanyny.gov.

Upon receipt of your complaint, you will be notified in the mail to appear for a hearing in front of the Water Bill Complaint Board. At the hearing you should be prepared to explain the reason for the

increased usage such as leak, accident or other cause. The property owner shall detail all repair efforts and provide copies of any bills paid for the repair of any leaks for which redress is sought.

In the case where a property owner seeks redress under this policy due to a leak, the Albany Water Board shall not grant the redress provided for in this policy until such time as satisfactory proof the leak has been repaired has been provided to the Albany Water Board.

Please be advised that you may also be required to allow the City of Albany Department of Water and Water Supply to inspect your water meter to see if it is working properly and to determine if usage has decreased since receipt of the escalated bill.

Approved by the Albany Water Board at Meeting March 28, 2014

Effective Date: January 1, 2014

RESOLUTION NO. 15-26

August 28, 2015

RESOLUTION APPROVING POLICIES RECOMMENDED BY THE GOVERNANCE AND FINANCE COMMITTEES

WHEREAS, the Albany Water Board is a local authority established under the New York State Public Authorities Law; and,

WHEREAS, the Albany Water Board strives to emphasize transparency and public stewardship as outlined in our core values of professionalism and customer service; and,

WHEREAS, section 2824 of the NYS Public Authorities Law requires Board members of public authorities to subscribe to certain policies; and,

WHEREAS, in accordance with the Committee Charter of the Albany Water Board, annual Policy review and approval helps improve oversight, accountability and transparency at the Department of Water and Water Supply, thereby strengthening public confidence in its operations; and,

WHEREAS, the Governance and Finance Committees of the Albany Water Board have reviewed the Policies enumerated on the attached Schedule "A" (Existing Policies) and recommends the continued approval of the existing Policies; and,

WHEREAS, the Governance and Finance Committees of the Albany Water Board have reviewed the Policies enumerated on the attached Schedule "B" (Proposed Policies) and recommends the adoption of the proposed Policies; and

NOW THEREFORE BE IT RESOLVED, that the Albany Water Board (re)approves) the Existing Policies, Proposed Policies, and Amended Policies as outlined in Schedules "A" and "B".

The adoption of the Resolution was duly put to a vote on roll call, which resulted as follows:

The adoption of the Resolution was duly put to a vote on roll call, which resulted as follows:

David R. McGuire	VOTING	
Leo P. Dean	VOTING	
William M. Clay	VOTING	
Daniel R. Ranellone	VOTING	Paul Ranellone
Rachel McEneny	VOTING	

The foregoing Resolution was thereupon declared duly adopted.

Attachments to Resolution 15-26

SCHEDULE "A" - EXISTING POLICIES

INDEMNIFICATION POLICY (ADOPTED 3/10/1987)

INVESTMENT POLICY

SCHEDULE "B" – PROPOSED POLICIES

PROCUREMENT POLICY

POLICY FOR USE OF EXECUTIVE SESSION

POLICY PROHIBITING THE EXTENSION OF CREDIT

PROPERTY ACQUISITION POLICY

PROPERTY DISPOSITION POLICY

AUTHORIZED BILLING ADJUSTMENTS POLICY

ETHICAL CONDUCT FOR MEMBERS AND EMPLOYEES OF THE ALBANY WATER BOARD

Albany Water Board

Code of Ethical Conduct for Members and Employees Of The Albany Water Board

This Code shall apply to all Members and Employees of the Albany Water Board (the "Water Board"), and may be amended only by majority vote of the Members.

1. The Members shall comply with Sections 73 and 74 of the Public Officers Law ("Code") and Executive Order No. 1 as detailed below.

2. Conflicts of Interest. No Member or Employee of the Water Board should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict (or which may reasonably create a perception of substantial conflict) with the proper discharge of his duties in the public interest.

    a. Any Member or Employee shall, as soon as practicable, inform the Chairman of the Board of any matter in which the Member's or Employee's participation would give rise to, or which appears likely to give rise to, a conflict of interest. If the Member/Employee only becomes aware of such a matter during the course of a meeting of the Board, the Member or employee shall inform the Board at that time.

    b. A Member/Employee shall not participate in any Board or other discussion nor vote concerning matters as to which the Member/Employee's participation would give rise to a conflict of interest.

    c. A Member or Employee shall not attempt to influence any management decision in which the Member/Employee's participation would give rise to a conflict of interest.

    d. Nothing herein shall be deemed to preclude a Member or Employee from submitting for consideration by the Board or management the name of any prospective contractor or applicant for employment; however the Member may not take part in any hiring or employment decision relating to a family member.

    e. "Conflict of Interest" shall have the meaning set forth in Section 74 of the Public Officers Law and shall specifically be deemed to include, without limitation:

        i. The contracting or transaction of business with the Water Board by the Member/Employee or spouse or any member of the Member/Employee's family or any entity in which the Member/Employee or spouse or family is a direct relative, officer or partner; or

ii. The contracting or transaction of business with the Water Board by any entity in which the Member/Employee, together with the Member/Employee's spouse and any member of the Member/Employee's family, has or have an aggregate beneficial interest of 10% or more; or

iii. The provision of legal or other representation before the Water Board on behalf of any party contracting or transacting business with the Water Board by the Member/Employee or spouse or any member of the Member/Employee's family, any entity in which the Member/Employee or his spouse or family is a director, officer or partner or any entity in which the Member/Employee, together with the Member/Employee's spouse and any member of the Member/Employee's family has or have an aggregate beneficial interest of 10% or more.

3. Ethical Standards.

a. No Water Board member or Employee of the Water Board should accept other employment which will impair his independence of judgment in the exercise of his official duties.

b. No Water Board Member or Employee should accept employment or engage in any business or professional activity which will require him to disclose confidential information which he has gained by reason of his official position or authority.

c. No Water Board Member or Employee should disclose confidential information acquired by him in the course of his official duties nor use such information to further his personal interests.

d. No Water Board Member or Employee should use or attempt to use his official position to secure unwarranted privileges or exemptions for himself or others.

e. No Water Board Member or Employee should engage in any transaction as representative or agent of the state with any business entity in which he has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his official duties.

f. A Water Board Member or Employee should not by his conduct give reasonable basis for the impression that any person can improperly influence him or unduly enjoy his favor in the performance of his official duties, or that he is affected by the kinship, rank, position or influence of any party or person.

g. A Water Board Member or Employee should abstain from making personal investments in enterprises which he has reason to believe may be directly

involved in decision to be made by him or which will otherwise create substantial conflict between his duty in the public interest and his private interest.

h. A Water Board Member or Employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his trust.

i. No Water Board Member or Employee employed on a full-time basis nor any firm or association of which such an officer or employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer or employee, should sell goods or services: to any person, firm corporation or association which is licensed or whose rates are fixed by the state agency in which such officer or employee serves or is employed.

j. If any Water Board Member or Employee shall have a financial interest, direct or indirect, having a value of ten thousand dollars or more in any activity which is subject to the jurisdiction of a regulatory agency, he should file with the secretary of state a written statement that he has such a financial interest in such activity which statement shall be open to public inspection.

4. This Code shall not supersede any more stringent requirement which may be applicable to any Member/Employee by virtue of such individual's status as a city officer or employee as defined in Section 73 of the Public Officers Law.

5. Prohibition against Receipt of Gifts. Members/Employees cannot accept gifts or gratuities of more than nominal value where the circumstances would permit the inference that:

   a. The gift was intended to influence the recipient in the performance of official business; or

   b. The gift constituted a tip, reward, or sign of appreciation for any official act by the employee.

6. Prohibition against the Use of City Property for Non-Official Purposes. City supplies, equipment, computers, personnel and other resources may not be utilized for non-governmental purposes. This prohibition includes, but is not limited to the following:

   a. Water Board stationery may not be used for non-governmental purposes and city resources may not be used to mail/deliver personal or other non-governmental correspondence.

   b. Water Board telephones may not be used for non-governmental long-distance calls, except for toll-free calls, collect calls, and calls billed to a

personal account/number. Telephones may be used for incidental and necessary personal local calls that are of limited number and duration on a "not-to-interfere" basis with the conduct of city business.

c. Water Board computers may be used for incidental and necessary personal purposes, such as sending electronic messages, provided that such use is in a limited amount and duration and does not conflict with the conduct of city business.

d. Water Board vehicles shall be used for city business or incidental use associated with city business. Individuals who are authorized to use a vehicle shall keep records of any incidental personal use and the value of such use will be calculated and reported as personal income to such individual.

For purposes of this policy, the term "family" shall mean any person living in the same household as the Member/Employee and any person related to the Member/Employee within the third degree of consanguinity or affinity.

Adopted by the Albany Water Board as of: August 28, 2015

Resolution: 15-26

Albany Water AWB
Property Disposition Policy

The Albany Water AWB (referred to herein as the "AWB") is required by Section 2896 of the Public Authorities Law to adopt by resolution comprehensive guidelines, to be annually reviewed and approved by the AWB, regarding the use, awarding, monitoring and reporting of contracts for the disposal of Property. The following guidelines (the "Guidelines") are adopted pursuant to such requirement and are applicable with respect to the use, awarding, monitoring and reporting of all Property Disposition Contracts which are (i) entered into by the AWB and (ii) solicited or awarded by the AWB on behalf of the City of Albany's Department of Water & Water Supply. (Referred to herein as the "Water Department").

Definitions

1. **"PAAA"** shall mean the Public Authorities Accountability Act of 2005, as amended from time to time, including in 2009.
2. **"Contracting Officer"** shall mean the officer or employee of the AWB who shall be appointed by resolution of the AWB to be responsible for the disposition of Property. The Contracting Officer shall be the Water Department's Commissioner.
3. **"Dispose" or "disposal"** shall mean transfer of title or any other beneficial interest in personal or real property in accordance with these guidelines.
4. **"Fair Market Value (FMV)"** shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace.
5. **"Property"** shall mean personal property in excess of five thousand dollars in value, real property, and any inchoate or other interest in such property owned by the AWB or the Water Department, to the extent that such interest may by conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.
6. **"Property Disposition Contracts"** shall mean written agreements for the sale, lease, transfer or other disposition of Property.
7. **"Real Property"** shall mean real property and interests therein.

Duties of the AWB under the PAAA

In accordance with the PAAA, the AWB and/or the Water Department, as the case may be, shall have the following duties and responsibilities:

A. **Adoption of Guidelines.** The AWB has adopted by Resolution, these comprehensive Guidelines detailing an operative policy for the Water Department regarding the use, awarding, monitoring and reporting of contracts for the disposal of AWB/Water Department property.

B. **Contracting Officer.** The AWB shall designate one or more individuals to serve as the Contracting Officer(s) for purposes of disposing of AWB/Water Department property. The Contracting Officer(s) may, but need not be the same individual(s) for each instance where the

AWB purports to dispose of certain of its property. As noted above, unless otherwise designated by subsequent resolution, the Commissioner is the Contracting Officer.

C. **Review and Updating of Guidelines.** The AWB shall meet at intervals of not less than one (1) year from the date of adoption of the most recent set of Guidelines for purposes of reviewing and, if necessary, revising the Guidelines.

D. **Filing of Guidelines.** The AWB shall, by the 31st day of March of each year, file with the Comptroller of the State of New York a copy of its most recently adopted Guidelines.

E. **Posting of Guidelines**. A full and complete copy of the most recently adopted Guidelines shall be posted on the AWB website. Said website shall be updated no less than annually for purposes of ensuring that the Guidelines posted thereon reflect the most recently adopted Guidelines of the AWB.

F. **Inventory Controls and Accountability.** The AWB shall maintain adequate inventory controls and accountability for all AWB/Water Department property. For purposes of these Guidelines, the phrase "adequate inventory controls and accountability" shall mean steps and procedures to secure, monitor and protect such property including a periodic physical inventory not less than every two years with reconciliation to the previous inventory listing. These controls are set forth, to the extent same apply as detailed therein, in the AWB's Fixed Asset Policy.

G. **Periodic Review.** The AWB shall periodically inventory property to determine what property, both real and personal, may be disposed of in accordance with the terms of these Guidelines.

H. **Report of Periodic Review.** Upon completion of each periodic review as outlined above, the AWB shall cause a report to be completed, outlining which, if any of the AWB properties may be disposed of in accordance with these Guidelines.

I. **Transfer of Properties.** Upon entering into an agreement for the transfer or disposal of any of its properties, the AWB shall take all necessary actions to arrange for the prompt transfer or disposal of the subject property.

J. **Report of Real Property.** The AWB shall, on not less than an annual basis, publish a report listing all real property owned by the AWB/Water Department at the time thereof, as well as a listing and full description of all real and personal property disposed of by the AWB/Water Department during the reporting period, including the amount received and the name of the purchaser of each piece of property. A copy of such annual report shall be forwarded to the following officers of the State of New York, as well as any other officers as the legislature may designate from time to time: the State Comptroller, the Director of the Division of Budget, the Commissioner of General Services and the legislature.

Principal Duties of Contracting Officer

The **Contracting Officer,** as designated under Definitions (2), is responsible for the supervision and direction over the custody, control and disposition of Property and responsible for the AWB's compliance with, and enforcement of, these guidelines. The Contracting Officer shall: (a) maintain adequate inventory controls and accountability systems for all Property under the AWB's control; (b) periodically inventory such Property to determine which Property shall be disposed of; (c) transfer or dispose of such Property as promptly as possible in accordance with these guidelines; and (d) produce and submit reports pursuant to Section IV (B) of these guidelines.

A. Property Disposition Contracts

A. Reason(s) for Use of Property Disposition Contracts

Property Disposition Contracts may be entered into for the purpose of disposing of Property which is no longer necessary or useful for the operations of the AWB or the Water Department to warrant retention, if the disposition of such Property will result in cost savings or other benefits to the AWB or the Water Department, the disposition thereof will result in the receipt of valuable consideration or other benefits by the AWB or the Water Department, or the disposition is of neutral or nominal value to the parties.

B. Method of Disposition

The AWB may dispose of Property for no less than the Fair Market Value by sale, exchange, or transfer, for cash, credit or other Property, with or without warranty, upon such terms and conditions as are determined by the Contracting Officer, except as otherwise permitted by this Section I (B) and Section I (D)(4) (below).

C. Appraisals

No disposition of Real Property or any interest in Real Property shall be made unless an appraisal of such Property has been made by an independent appraiser and included in the record of the transaction. Further, no disposition of any other property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.

In addition to the circumstances permitted by Section I (D) (4) (below), the AWB may dispose of Property for less than Fair Market Value when the value of the transaction is nominal and the Property Disposition Contract is temporary and revocable. For such transactions, the requirements of Sections I (D) (5), (6) and (7) (also below) do not apply.

D. Award of Property Disposition Contracts; Selection Criteria for Property Disposition Contracts

1. ***All sales or other dispositions of Property*** shall be conducted in accordance with these Guidelines by or under the supervision of the Contracting Officer.

2. ***All Property Disposition Contracts*** shall be made after publicly advertising for bids unless the criteria set forth below in the Guidelines at Section III (C) (3) have been met for such contracts to be made by negotiation or public auction. Whenever public advertising for bids is required, (i) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and

conditions, as shall permit full and free competition consistent with the value and nature of the Property; (ii) all bids shall be publicly disclosed at the time and place stated in the advertisement; and (iii) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the state, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.

3. ***Property Disposition Contracts*** may be negotiated or made by public auction without regard to the criteria set forth above in the Guidelines at Section III (C) (2) but subject to obtaining such competition as the Contracting Officer determines is feasible under the circumstances, if (i) the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of by publicly advertising for bids, would adversely affect the state or local market for such property, and the estimated Fair Market Value of such property and other satisfactory terms of disposal can be obtained by negotiation; (ii) the Fair Market Value of the Property does not exceed fifteen thousand dollars; (iii) bid prices after advertising therefor are not reasonable, either as to all or some part of the Property, or have not been independently arrived at in open competition; (iv) the disposition of Property will be to the state or any political subdivision, and the estimated Fair Market Value of the Property and other satisfactory terms of disposal are obtained by negotiation; (v) under the circumstances permitted by Section III.C.4, or (vi) such action is otherwise authorized by law.

4. **Property *may not be disposed of for less than Fair Market Value*** unless the following criteria are met: (i) the property is transferred to a government or other public entity and the terms and conditions of the transfer require that the ownership and use of the property will remain with the government or any other public entity; (ii) the purpose of the transfer is within the purpose, mission or governing statute of the public AWB; or (iii) if the transfer is other than to a governmental entity and would not be consistent with the AWB's mission, purpose or governing statute, the AWB shall provide written notification to the governor, speaker of the assembly and temporary president of the senate. The governor, senate or assembly may deny the transfer. The governor or either house of the legislature will take action within sixty days of receiving notification of the proposed transfer from January through June. If the notification is received by the legislature from July through December, the legislature may take any action within sixty days of January first of the following year. In the event that there is no denial within sixty days of the notification to the governor, senate and assembly, the AWB may effectuate the transfer.

5. **In the event the AWB proposes that property be disposed of for less than Fair Market Value**, the following information must be provided to the AWB members and the public:(i) a full description of the property;(ii) an appraisal of the Fair Market Value of the property and any other information establishing the Fair Market Value sought by the AWB of Trustees; (iii) a description of the purpose of the transfer and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of

jobs created or preserved as required by the transfer, the benefits to the communities in which the property is situated (iv) a statement of the value to be received as compared to the Fair Market Value; (v) the names of any private parties participating in the transfer and a statement of the value to the private party if different than the statement in (iv) above;(vi) the names of other private parties who have made an offer for such an asset, the value offered, and the purpose for which the asset was sought to be used.

6. **Before approving the disposition of property for less than Fair Market Value**, the AWB members must consider the information described in paragraph 5 above and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

7. The **Contracting Officer shall transmit a statement explaining the circumstances of** the **negotiated disposition of Property by at least ninety (90) days prior** to such disposal to each of the State Comptroller, the Director of the Division of the Budget, the Commissioner of General Services, the State legislature, and the Authorities Budget Office, and a copy thereof shall be preserved in the files of the AWB. Such a statement shall be prepared in connection with a negotiated disposition of Property of any of the following: (i) any personal property which has an estimated Fair Market Value in excess of fifteen thousand dollars; (ii) any Real Property that has an estimated Fair Market Value in excess of one hundred thousand dollars, except that any real property disposed of by lease or exchange shall only be subject to clauses iii and iv of this Section.; (iii) any Real Property disposed of by lease if the estimated annual rent over the term of the lease is in excess of fifteen thousand dollars; (iv) any Real Property or related personal property disposed of by exchange, regardless of value, or any Property any part of the consideration for which is Real Property.

8. **To the extent that Property Disposition Contracts are competitively awarded, such awards shall be made upon receipt and evaluation of bids or proposals** or other information obtained from persons/firms responding to a request for proposals or other form of solicitation on the basis of the criteria specified in the request for proposals or other solicitation. The Contracting Officer shall document the processes by which Property is sold or otherwise disposed of, by making a record summarizing the nature and scope of the Property disposed, the name of each person or organization submitting, or requested to submit, a bid or proposal, the price or other consideration bid and received, and the basis for selection of both the purchaser and method of disposition of the Property.

E. Approval Process for Property Disposition Contracts

In addition to any other approvals required by law, the award of Property Disposition Contracts and any related determinations made in connection therewith shall be approved as follows:

1. **Property Disposition Contracts in amounts equal to or less than $250,000** and related determinations shall be approved by the Contracting Officer, the Finance Committee Chair and the Chairman of the AWB.

2. **Property Disposition Contracts in amounts greater than $250,000 - $999,999** and related determinations shall be approved by the members of the AWB.

3. **Property Disposition of $1 million dollars or more** are to be approved by the AWB and the City of Albany as per the Operations Agreement Article IX, Section 9.1 Disposition of Property (B), (C) and (D).

General

A. Implementation of Guidelines: The Contracting Officer is empowered to prepare such supplemental procedures as may be required to effectively implement these Guidelines, copies of which shall be provided to AWB members.

B. Property Transaction Notices: The Contracting Officer is to prepare and submit the Property Transaction Notices. Section 2897(6)(d) of Public Authorities Law requires public authorities to submit to the Authorities Budget Office a written explanation of the circumstances involving the disposal of property through a negotiated transaction not less than 90 days prior to the scheduled date of that transaction. This requirement applies to the following property:

- **i.** Personal property having an estimated fair market value greater than $15,000;
- **ii.** Real property having an estimated fair market value greater than $100,000, except that any real property disposed of by lease or exchange;
- **iii.** Real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of $15,000;
- **iv.** Real property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property;
- **v.** Related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

The report must contain the following information:

- ✓ Description of the parties involved in the property transaction;
- ✓ Justification for disposing of property by negotiation;
- ✓ Identification of property, including its location;
- ✓ Estimated fair market value of the property;
- ✓ Proposed sale price of the property;
- ✓ Size of the property; and
- ✓ Expected date of sale of property.

C. End of Year Reporting: Within ninety days of the end of the fiscal year, the Contracting Officer shall also prepare and submit to the AWB a report listing all Real Property of the AWB and the Water Department. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the AWB or the Water Department and the name of the purchaser for all such Property sold by the AWB or the Water Department during such period.

D. Effect of Awarded Contracts: These Guidelines are intended for the guidance of the officers and employees of the AWB and the Water Department only. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or

benefit under, or by reason of, any requirement or provision hereof, or be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, these Guidelines. In accordance with Section 2897.5 of the Public Authorities Law, a deed, bill of sale, lease, or other instruments executed by or on behalf of the AWB or the Water Department, purporting to transfer title or any other interest in Property shall be conclusive evidence of compliance with these guidelines insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of compliance with these guidelines prior to the closing.

Disposal of Property through a Negotiated Transaction

Section 2897(6) (d) of the Public Authorities Law requires public authorities to submit a written explanation of the circumstances involving the disposal of property through a negotiated transaction to the Authorities Budget Office (ABO) not less than 90 days prior to the scheduled date of the transaction.

Adopted by the Albany Water AWB as of: August 28, 2015

Resolution: 15-26

Albany Water Board
Procurement Policy

Purpose

It is the policy of the Albany Water Board ("AWB") to procure goods and services in a manner which ensures: Compliance with all provisions of law governing procurements by AWB and consistent with the Purchasing & Procurement Policies of the City of Albany. That the acquisition of quality goods and services at the best value in a timely and efficient manner. There will be wise and prudent use of the resources of AWB, its customers and the rate payers. That there will be promotion of the use of qualified Certified Minority and Women-Owned Enterprises in Procurement Contracts in accordance with law and guards against favoritism, extravagance, fraud and corruption.

Definitions

1. **"PAAA"** shall mean the Public Authorities Accountability Act of 2005, as amended from time to time, including in 2009.
2. **"City"** shall mean the City of Albany.
3. **"Operations Agreement"** shall mean the Operations Agreement between the City of Albany and the Albany Water Board, amended as of 2011.

Procurement Process

All procurements of goods and services shall be made by AWB using the Purchasing Policy and Procedures Manual of the City as per the Operations Agreement. As per the PAAA, the AWB will annually review the policies and procedures to make sure that they continue to follow the objective of the AWB. Upon amendment of the Operations Agreement, the AWB can choose to continue to use or choose to discontinue the use of the City's Purchasing Policy and Procedures Manual.

Procurement Guidelines

All procurements of goods and services shall be made by AWB on a competitive basis except as otherwise provided in the City's Purchasing Policy and Procedures Manual. The competitive methods used to make procurements shall include:

I. Sealed competitive bids;
II. Requests for proposals;
III. Written quotations;
IV. Documented & Written Telephone quotations;
V. Purchases made pursuant to centralized contracts let by other public entities pursuant to a competitive process;
VI. Any other competitive method of procurement that is consistent with the purposes of the City's Purchasing Policy and Procedures Manual.

The guidelines and dollar limits for what method is to be followed within the City's Purchasing Policy and Procedures Manual are as follows:

Dollar Limits when Soliciting Quotes for Commodities, Equipment and Goods.

Dollar Limit	Procedure
$1 - $1,000	At the discretion of the Purchasing Department
$1,001 - $3,000	Documented and written telephone quotes from at least three (3) separate vendors, if available.
$3,001 - $3,999	Written quotes from at least three (3) separate vendors, if available.
$4,000 - $9,999	Formal written and phone quotes from at least five (5) separate vendors, if available, are required.
$10,000 and Up	Sealed bids in conformance with General Municipal Law, Section 103.

Dollar Limits when Soliciting Quotes for Public Works Projects/Contracts.

Dollar Limit	Procedure
$1 - $1,000	At the discretion of the Purchasing Department
$1,001 - $9,999	Written quotes from at least three (3) separate vendors, if available.
$10,000 - $19,999	Formal request for Proposal with a response from at least three (3) vendors
$20,000 and Up	Conformance with General Municipal Law, Section 103

Dollar Limits when Soliciting Quotes for Professional Services and Consultants.

Dollar Limit	Procedure
$1 - $5,000	Annual charge will be at the discretion of the department head, and with the approval of the Purchasing Agent.
$5,001 - $14,999	Prices will be obtained by formal written quotes from at least two (2) sources, and the award will be made at the discretion of the department head with the approval of the Purchasing Agent.
$15,000 - $19,999	Prices will be obtained by written quote from at least three (3) sources, with the award of the contract made by the department head, and with the approval of the Purchasing Agent.
$20,000 and Up	Prices will be obtained by RFP with the award of the contract being made by the Mayor, the department head involved, Budget Director and the Corporation Counsel.

Exceptions to Procurement Procedures

1. **Emergency:** An emergency exists wherein the delay caused by soliciting quotes would endanger the health, welfare or property of the municipality.

   Emergency purchases may be made without bid or even contract depending on the circumstances and are governed by the procedures set forth in Section 120 of the Second Class Cities Law. Such purchases may require certification of the department head and/or authorization of the Common Council. All such purchases must be coordinated with the Purchasing Department, City Clerk and Corporation Counsel's Office, along with the Mayor and Budget Director.

2. **Lowest Quote:** In all cases, awards to other than the lowest proposed quote must be documented in writing explaining the reason(s) for the rejection of the lowest price.

Additional Procurement Documentation

AWB shall, in addition to the procedures required above, maintain written procedures for any other method of competitive procurement to be used by AWB. These procedures shall, among other things:

- ✓ Identify the category of procurement to which the procedure relates;
- ✓ Ensure reasonable competition given the cost and type of procurement;
- ✓ Require written documentation of the rationale for awarding the procurement.

AWB shall implement and maintain a process for reviewing inquiries from unsuccessful bidders and proposers. Such process shall ensure that unsuccessful bidders and proposers are treated in a fair and equitable manner.

Adopted by the Albany Water Board as of: August 28, 2015

Resolution: 15-26

Albany Water Board

Policy for Use of Executive Session

Purpose

The Albany Water Board's (AWB") objective is to conduct business in an environment that fosters transparency and public disclosure, and conforms to the intent of the Public Authorities Accountability Act and the Public Officers Law.

Therefore, AWB meetings are open to the general public, except when it is appropriate to enter into executive session. The term "executive session" refers to that portion of a public meeting during which the public may be excluded. ***The law is clear that a public body may go into executive session only for specific and limited reasons.*** Upon a majority vote of the AWB's total membership, taken in the open meeting, pursuant to a motion identifying the general area or areas of the subject or subjects to be considered, the AWB can then enter into an executive session.

Procedure

The AWB will provide sufficient details on the purpose of the executive session to assure the public that the subject matter meets the statutory test for executive session. When the AWB does vote to go into executive session, the motion must include a clear explanation of what will be discussed. The AWB members are automatically authorized to be present and may invite any member of the public body and any other person(s) if authorized in the motion that is made to go into executive session.

The AWB may conduct an executive session only for the purposes enumerated below:

A. Matters which will imperil the public safety if disclosed;
B. Any matter which may disclose the identity of a law enforcement agent or informer;
C. Information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed;
D. Discussions regarding proposed, pending or current litigation;
E. Collective negotiations pursuant to article fourteen of the civil service law;
F. The medical, financial, credit or employment history of a particular person or corporation;
G. Matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation;
H. The preparation, grading or administration of examinations;
I. The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.

At no time can the AWB vote to appropriate public moneys while in executive session.

Minutes of the executive session will be recorded if any action is taken by formal vote. The minutes serve as the record of the determination of the AWB. The date and results of that vote must be recorded and any information that otherwise would be allowed to be withheld under the *Freedom of Information Law*. AWB meeting minutes will be available to the public in accordance with the provisions

of the Freedom of Information Law within two weeks from the date of such meeting, ***except that minutes taken in executive session will be available to the public within one week of the date of the executive session.***

An executive session can only be convened to discuss a finding that is consistent with the exceptions articulated in Public Officers Law. The AWB **may not** conduct an executive session for the purposes enumerated below:

- ✓ A motion that states the board is going into executive session to discuss "personnel" issues is not sufficient.
- ✓ If the internal auditor appears before the audit committee or the full board to present his or her findings that discussion must occur in an open meeting, since the committee and the board are public bodies.
- ✓ A discussion of the audit findings or a discussion concerning management's cooperation with the auditor (either internal or independent) is not an acceptable justification for adjourning to executive session.
- ✓ The presentation of the annual independent audit to the audit committee and any general discussion of its findings with the committee or the board must be done in a public meeting. ***(Reminder: The independent audit report is a public document)***
- ✓ Discussing the merits of selling a piece of property through public bid, or concern about revealing the fair market value of the property, is insufficient justification to adjourn to executive session.
- ✓ The board may not hold an executive session out of concern that a matter raised in public session may provoke a lawsuit, or fear of the threat of potential legal action.

It is appropriate that the details of sensitive or confidential issues be presented to management, rather than to the board.

Invoking the use of executive session without providing sufficient justification may undermine the public's confidence in the decisions and actions of the board. This is why the AWB will only use executive session when appropriate and with a clear descriptive motion.

When the AWB makes the motion to convene an executive session, the board must be more expansive than "to discuss litigation" or "for personnel matters". It is practice that the record will specifically state the purpose, such as "to discuss litigation issues in the case of XYZ Company vs. AWB" or "the employment history of an employee", or "potential disciplinary action against an employee". In personnel matters**, it is not necessary to identify the individual who is the subject of the executive session.**

Finally, there may be occasions when litigation warrants a vote for the AWB to convene an executive session. This is limited for when a discussion by the board of its legal strategy in litigation involving the board or pending before it is taking place.

If any member of the AWB or member of the public is unclear on this matter or has any additional questions consult the Committee on Open Government. The Committee may be contacted at (518) 474-2518 or by fax at (518) 474-1927. Its web site address is: www.dos.state.ny.us/coog/.

Adopted by the Albany Water Board as of: August 28, 2015

Resolution: 15-26

Albany Water Board

CONFLICT OF INTEREST POLICY

All Albany Water Board Members and employees will be provided with this Conflict of Interest Policy upon commencement of employment or appointment and required to acknowledge that they have read, understand and are in compliance with the terms of the policy.

Board members and employees should review on an ongoing basis circumstances that constitute a conflict of interest or the appearance of a conflict of interest, abide by this policy and seek guidance when necessary and appropriate. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to public authorities.

Conflicts of Interest: A conflict of interest is a situation in which the financial, familial, or personal interests of a director or employee come into actual or perceived conflict with their duties and responsibilities with the Board. Perceived conflicts of interest are situations where there is the appearance that a board member and/or employee can personally benefit from actions or decisions made in their official capacity, or where a board member or employee may be influenced to act in a manner that does not represent the best interests of the Board. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a board member may have a conflict.

The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this Policy. Board members and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust. While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever a director or employee has or will have:

- A financial or personal interest in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which the Board participates.
- The ability to use his or her position, confidential information or the assets of the Board, to his or her personal advantage.
- Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence him/her, or could reasonably be expected to influence him/her, in the performance of his/her official duties or was intended as a reward for any action on his/her part.
- Any other circumstance that may or appear to make it difficult for the board member or employee to exercise independent judgment and properly exercise his or her official duties. Outside Employment of Board's Employees: No employee may engage in outside employment if such employment interferes with his/her ability to properly exercise his or her official duties with the Board.

PROCEDURES

Duty to Disclose: All material facts related to the conflicts of interest (including the nature of the interest and information about the conflicting transaction) shall be disclosed in good faith and in writing to the Governance Committee and/or the Ethics Officer. Such written disclosure shall be made part of the official record of the proceedings of the Board.

Determining Whether a Conflict of Interest Exists: The Governance Committee and/or Ethics Officer shall advise the individual who appears to have a conflict of interest how to proceed. The Governance Committee and/or Ethics Officer should seek guidance from counsel or New York State agencies, such as the Authorities Budget Office, State Inspector General or the Joint Commission on Public Ethics (JCOPE) when dealing with cases where they are unsure of what to do.

Recusal and Abstention: No board member or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting, when he or she knows or has reason to know that the action could confer a direct or indirect financial or material benefit on himself or herself, a relative, or any organization in which he or she is deemed to have an interest. Board members and employees must recuse themselves from deliberations, votes, or internal discussion on matters relating to any organization, entity or individual where their impartiality in the deliberation or vote might be reasonably questioned, and are prohibited from attempting to influence other board members or employees in the deliberation and voting on the matter.

Records of Conflicts of Interest: The minutes of the Board's meetings during which a perceived or actual conflict of interest is disclosed or discussed shall reflect the name of the interested person, the nature of the conflict, and a description of how the conflict was resolved.

Reporting of Violations: Board members and employees should promptly report any violations of this policy to his or her supervisor, or to the public authority's ethics officer, general counsel or human resources representative in accordance with the Board's and/or City of Albany's Whistleblower Policy and Procedures.

Penalties: Any director or employee that fails to comply with this policy may be penalized in the manner provided for in law, rules or regulations.

Adopted by the Albany Water AWB as of: September 25, 2015

Resolution: 15-32

Albany Water Board
Property Acquisition Policy

Definitions

1. **"PAAA"** shall mean the Public Authorities Accountability Act of 2005, as amended from time to time, including in 2009.
2. **"AWB"** shall mean the Albany Water Board.
3. **"Contracting Officer"** shall mean the officer or employee of the Albany Water Board ("AWB") who shall be appointed by resolution of the AWB to be responsible for the acquisition of property. The Contracting Officer shall be the Water Department's Commissioner.
4. **"Acquire" or "acquisition"** shall mean acquisition of title or any other beneficial interest in personal or real property.
5. **"Fair Market Value (FMV)"** shall mean the estimated dollar amount that a willing buyer would pay to a willing seller for the Real Property in an arms-length transaction in the appropriate marketplace.
6. **"Property"** shall mean personal property in excess of five thousand dollars ($5,000.00) in value, and real property, and any inchoate or other interest in such Property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Responsibilities

A. The AWB shall maintain adequate inventory controls and accountability systems for all Property owned by the AWB and under its control.

B. The AWB shall prepare, not less frequently than annually, a report listing all real property owned in fee by the AWB. Such report shall consist of a list and full description of all real property acquired of during such period. The report shall contain the price paid by the AWB and the name of the seller for all such real property acquired by the AWB during such period.

Acquisition of Property

A. **Supervision and Direction**. Except as otherwise provided herein, the duly appointed Contracting Officer shall have supervision and direction over the acquisition of Property of the AWB. The AWB shall have the right to acquire its Property for any valid corporate purpose.

B. **Appraisal Report**. At independent appraiser shall be hired to provide an opinion of fair market value before the AWB shall make an offer with respect to the acquisition of the Property. The appraiser should have a professional affiliation with a national appraisal organization and must not have an interest in the Property (or be retained as an agent to sell the property). The appraisal report shall be in form and substance satisfactory to the AWB and shall be included in the record of the transaction.

Notwithstanding the foregoing, the preparation of an appraisal report shall not be required where the AWB is acquiring the Property pursuant to a donation, its procurement policy, or if

the valuation of the Property is uncomplicated and the fair market value is reasonably determined to be less than $10,000.

C. **Method of Acquisition/Voluntary Acquisition.** Unless otherwise permitted by applicable law, the AWB shall acquire Property for not more than its fair market value by sale, exchange, or transfer, for cash, credit, or other Property, with or without warranty, and upon such other terms and conditions as the AWB and/or contracting officer deems proper. The AWB may execute such documents for the acquisition of title or other interest in Property and take such other action as it deems necessary or proper to acquire such Property under the provisions of this section. Provided, however, the AWB may acquire Property for more than its fair market value, as described in an appraisal report reviewed by the AWB or without such appraisal being conducted, upon a finding pursuant to resolution of the AWB that the acquisition of such Property at such price is necessary for the AWB to further its corporate purpose.

D. **Validity of Deed, Bill of Sale, Lease, or Other Instrument.** A deed, bill of sale, lease, or other instrument executed by or on behalf of the seller of the Property and accepted by the AWB, purporting to transfer title or any other interest in Property of the seller to the AWB in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantor or transferor who has received valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to closing.

E. **Insurance.** The AWB must ensure that all insurable real and personal Property under its control is insured against physical loss or damage.

This Policy is subject to modification and amendment at the discretion of the AWB.

Adopted by the Albany Water Board as of: August 28, 2015

Resolution: 15-26

ALBANY WATER BOARD AND

ALBANY MUNICIPAL WATER FINANCE AUTHORITY

INVESTMENT POLICY

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ALBANY WATER BOARD AND

ALBANY MUNICIPAL WATER FINANCE AUTHORITY

INVESTMENT POLICY

INVESTMENT PROGRAM OVERVIEW

The Albany Water Board and the Albany Municipal Water Finance Authority are responsible for combined investments of approximately $10 million which are deposited under various funds, many of which are mandated by bond resolutions. Approximately 30 to 50 investment transactions are made annually.

The Board/Authority bond resolutions authorize investments in obligations of, or guaranteed by, the United States of America or the State of New York. Demand and time deposits, money market instruments, commercial paper, and bankers acceptances can be placed with banks and must be secured by direct obligations of the United States or the State of New York having a market value at least equal to the deposit. Certain corporate obligations may also be purchased. These statutory investment requirements serve as the basic guidelines followed for all Board/Authority investments.

Any New York State based bank or Trust Company may be designated as the Board/Authority's custodian and third party fiduciary of collateral held in escrow for demand and time deposits and money market accounts. This banking institution may also hold, in safe keeping, United States Government securities purchased by the Board/Authority including securities purchased under resale agreements.

It is the Board/Authority's policy to purchase securities with the intention of holding them to maturity. In addition to the security of funds invested, the objective of the investment program is to maximize investment income through interest earnings.

Knowledge of market conditions is maintained daily by the Board/Authority's investment advisors. Current interest yield by type of investment, together with forecasted future interest trends are reviewed and analyzed to determine investment policies that will maximize earnings. As a result, the Board/Authority's concentration of investments between U.S. obligations, time deposits, and other investments may vary depending on market yields between these types of investments.

To ensure cash availability, disbursement requirements are continually updated and monthly cash requirements for operating and maintenance expenses are projected. Additionally, forecasts of construction disbursements are made using work completion projections prepared by the Board/Authority's consulting engineer and the City of Albany. Investments for one month or less are generally made in time deposits, certificates of deposit, money market accounts, repurchase agreements, and treasury bills with maturities coinciding with operating and projected contract payment needs. Longer term investments are principally made in U.S. Treasury's, with maturities allowing for cash availability during the construction season, on debt service payment dates, and other periods requiring large cash availability.

Market conditions and cash flow requirements are considered in determining the term of an investment. In addition, rates offered by institutions are often contingent on the length of time funds are required by them. As a result, depositories often request a specific term for the investment which is agreeable to the Board/Authority and/or its investment advisors because of the attractive rate offer. The term of the investment is also influenced by the maturity dates of other investments. Thus, an over concentration of short or long-term maturities is avoided.

ALBANY WATER BOARD AND

ALBANY MUNICIPAL WATER FINANCE AUTHORITY

INVESTMENT POLICY

GENERAL POLICY

The Albany Water Board initially approved this written investment policy on January 5, 1989.

The Albany Municipal Water Finance Authority initially approved this investment policy on December 1, 1988.

This policy is reviewed on an annual basis by the investment advisor and both Boards, and updated as necessary to reflect changes in available investment opportunities and market conditions, or as a result of recommendations from the periodic evaluation of performance of the investment program or any audits of the investment program. The investment policy is reviewed annually by monitoring the system of internal controls, consultation with the investment advisor, verifying relevant matters relating to securities purchased or held as collateral, determining that the investment results are consistent with the Boards objectives, and reviewing the independent audit of the investment programs.

INVESTMENT OBJECTIVES

The basic investment objectives of the Board and the Authority provide for the protection of funds by investing as outlined by the Bond Resolution, for the preservation of principal, for the proper application of funds, for the maintenance of demand bank balances at minimum levels consistent with sound operations, and for the maximization of income from all Board and Authority funds available for investment.

The Board and the Authority invests funds according to projected operating and capital expenditures. The purpose in this regard is to determine the appropriate portions of the funds that may be invested to mature at times when cash funds are needed for operations, maintenance, and capital expenditures.

GENERAL BOND RESOLUTION

The General Bond Resolution of the Albany Municipal Water Finance Authority, and the policies followed by the Albany Water Board, permit the following investments:

- New York State Obligations - These include direct obligations of, or obligations guaranteed as to the principal and interest by, the State of New York, or direct obligations of any state agency or public authority, provided such obligations are rated, at the time of purchase, in one of the two highest rating categories by a rating agency.

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·United States Obligations - These consist of any bonds or other obligations which, as to principal and interest, constitute direct obligations of, or guaranteed by, the United States of America, including obligations of any agency thereto or corporation which has been, or may hereafter, be created pursuant to an act of Congress as an agency or instrumentality of the United States of America. Additionally, United States obligations include any other receipt, certificate or other evidence of any ownership interest and obligations or in specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in the previous sentence. (It is the policy of the Board/Authority that investments in money market or mutual funds, where the investment vehicle is not delivered, will be fully collateralized by Unites States obligations.) The United States obligations are of any agency, subdivision, department, division or instrumentality of the United States of America or obligations fully guaranteed as to the interest and principal by an agency, subdivision, department, division, or instrumentality of the United States of America.

·Bankers Acceptances - These can be issued by a commercial bank with its principal place of business within the State of New York and having a combined capital and surplus of more than $25 million.

·Corporate Securities - These include commercial paper and fixed income obligations, which are, at the time of purchase, rated by a rating agency in its highest rating category for comparable types of obligations.

·Certificates of Deposit - Certificates of deposit can be purchased provided they are secured at all times by collateral consisting of United States obligations.

·Savings Accounts or Deposit Accounts - Savings accounts or deposit accounts can be used when they are fully insured by an agency of the U.S. Government.

·Repurchase Agreements - Repurchase agreements can be purchased provided they are fully collateralized by any one or more of direct obligations of the United States of America. Repurchase agreements shall not be for any periods in excess of 90 days. Repurchase agreements can only be entered into provided for the Authority or its Trustee take physical possession of collateral or be named the record owner of collateral held by the Federal Reserve Bank of New York. Collateral agreements must be entered into between the Authority, or the Trustee, and either a bank or trust company organized under the laws of the state or the United States of America, which is a member of the Federal Reserve System and the FDIC, having capital of not less than $25 million, or a government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York.

Notwithstanding the above, no security shall be purchased, regardless of issuer, if it is generally considered by investmet professionals to be a risky derivative security.

ALBANY WATER BOARD AND

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INVESTMENT POLICY

TYPES OF BOARD AND AUTHORITY AUTHORIZED INVESTMENTS

The policy of the Board/Authority is to restrict investments to the following:

United States Government Securities

Investment Type	Description
Treasury Notes	Treasury Notes are usually obligations issued with a maturity of not less than 1 year, or more than 10 years, and paying interest semi-annually at a specific rate.
Treasury Bills	Treasury Bills are short term obligations issued with a maturity not exceeding 1 year. These are non-interest bearing securities which are issued on a discount basis.
Obligations of Federal Agencies	Obligations of Federal Agencies will be obligations issued with a maturity of not less than 1 year or more than 10 years, and paying interest semi-annually at a specific rate or, if non-interest bearing, on a discounted basis.

Repurchase Agreements

Repurchase agreements permitting earnings on funds which otherwise would remain temporarily idle will be entered into, but only in obligations of, or guaranteed by, the United States of America. Repurchase agreements are where the seller simultaneously agrees to repurchase such securities at a stated price on a fixed future date. The seller will issue and deliver to the Board/Authority, or its custodian, on the initial date of the transaction a confirmation of any sales and purchase orders. All repurchase agreements must be secured with the Board/Authority's custodian with direct obligations of the United States or the State of New York, the market value of which must be at least equal to the amount of the deposit.

Money Market Accounts

Money market accounts permitting earnings on funds, may be entered into, but only in obligations of or guaranteed by the United States of America. The funds can be bought and sold on a daily basis and earn interest based on the mix of the pool. All money market accounts must be secured with the Board/Authority's custodian with direct obligations of the United States or the State of New York, the market value of which must be at least equal to the amount of the deposit.

Certificates of Deposit

Certificates of deposits are investments of over 7 days from specific funds on an agreed amount, maturity, and stipulated interest rates. Maturities generally are up to 360 days. All certificates of deposit must be secured with the Board/Authority's custodian with direct obligations of the United States or the State of New York, the market value of which must be at least equal to the amount of the deposit.

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INVESTMENT POLICY

DIVERSIFICATION OF INVESTMENTS

Funds in the Debt Service, Construction, and Debt Service Reserve Funds must be held by the Trustee. Inasmuch as the balance in the Debt Service Fund represents accrued debt service for the current year, investments in this fund are short-term. When money market rates are higher than comparable termed U.S. Treasury obligations, the funds will remain invested in money market funds; otherwise Treasuries are purchased. (Additionally, funds which have been budgeted to be utilized within the next fiscal year are held in money market accounts, due to liquidity.)

The Board/Authority's Operating and Maintenance Reserves represent a significant portion of the investment portfolio and are generally required for longer term disbursements. Investments maturing within 18 months are normally made with these funds. Longer investments are permitted if, in the opinion of the investment advisor, a higher rate of return will be earned for the period of the investment versus rolling over shorter term investments. In any event, no investment will have a final maturity or rate adjustment date longer than five years. As a result, the portfolio relationship of U.S. Treasuries and money market funds will vary depending on market conditions. Working capital and the Operation and Maintenance Fund is invested in short-term certificates of deposit or repurchase agreements. Portfolio diversification of approximately 70% of U.S. Treasuries, including repurchase agreements, and 30% for time deposits are general investment concentration guidelines.

Investments in certificates of deposit are made only with banks. Their annual reports are reviewed by the Board/Authority's investment advisor to determine satisfactory financial strength.

Purchases of United States obligations require the seller to transfer securities to the Board/Authority custodian, Key Trust. The financial strength of the dealer or bank is not a factor in the purchase of securities inasmuch as they are only the seller of Treasury obligations which are transferred through the Federal Reserve Bank.

The Board/Authority enter into repurchase agreements only with dealers or banks on the Federal Reserve's most recent list of primary reporting dealers and government securities and executes a written agreement with each dealer bank prior to any such investment transaction.

The Board/Authority's general policy is to limit investment concentration in certificates of deposit, repurchase agreements, and money market accounts with any one financial institution to no more than 30% of the Board/Authority's combined total investment portfolio. (This general policy does not apply to the Trustee because of the trustee relationship.)

INVESTMENT MANAGEMENT

All investment transactions are reviewed and approved by an investment advisor who has been designated by both Boards. Investment decisions can only be authorized by the Chairman of the Albany Water Board, the Chairman of the Albany Municipal Water Finance Authority, and the investment advisor.

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INVESTMENT POLICY

INTERNAL CONTROL AND PROCEDURES

The operating procedures for the Board/Authority provide for the separation of authorization and accounting functions. Both of these activities are maintained separately from the custodial function. On an annual basis, the Board/Authority will review investment information, which consists of descriptions and amounts of investments, transaction dates, interest rates, maturities, collateral arrangements, and market prices as prepared by the investment advisor. Additionally, both Boards will review and oversee this reporting process and information through monthly financial reporting.

INVESTMENT PROCEDURES AND CONTRACTS

United States Government Securities

When purchasing United States Government Securities (Bills, Notes, and Bonds), the Board/Authority (or its investment advisor) will contact various security dealers or banks for the best rate offered for the investment. When a determination is made regarding which dealer or bank the Board\Authority will make the purchase from, funds will be transferred to the agent. The agent releases the funds covering the purchase only after advice from the Federal Reserve Bank that the securities have been received through Federal Reserve book entry. The agent receives advice per 'Fedwire' that their security account at the Federal Reserve Bank has been credited and their cash position at the Federal Reserve Bank is charged.

Certificates of Deposit

When certificates of deposit are purchased, determination is made regarding the length of time for which the investment should be purchased. In order to determine current market rates, interest rate quotations are obtained from at least two banks. The determination regarding which banks are to be contacted is based upon the availability of collateral and the amount of monies already invested with the bank. Funds are generally invested with the bank paying the highest rate of interest, providing there is sufficient collateral to cover such investment. Funds to cover the certificate of deposit are wired directly to the bank in which the certificate of deposit is purchased. There are two written agreements executed between the Board/Authority in each bank. These agreements are an "undertaking" and an "assignment of securities." These agreements commit the bank from which the Board/Authority has purchased a certificate of deposit to hold harmless the Board/Authority for any loss of funds. Only with the approval of the Board/Authority are adjustments made in the amount of collateral. Collateral is priced to insure the market value of securities pledged is equal to or greater than the amount invested in certificates of deposit. When the market value of the collateral is not sufficient to cover the investments currently held, additional collateral is immediately pledged.

When a certificate of deposit matures, and the funds are not immediately needed, they are generally rolled over with the same bank. However, if the bank is not paying the highest interest rate quoted by other banks, they are requested to match the highest rate. If this requirement cannot be met, the funds are transferred to another bank or invested in United States Government Securities.

Repurchase Agreements

The Board/Authority enters into repurchase agreements with those banks or brokers appearing on the Federal Reserve Bank's most current list of primary reporting dealers and government securities. In addition, the Board/Authority enters into a written agreement with each bank or broker prior to investing in repurchase agreements. The written agreement commits the broker or bank to the repurchase of securities and provides for the Board/Authority's right to sell the securities should the bank or broker default at the time the repurchase agreement matures.

When a repurchase agreement investment is made by the Board/Authority, the funds are wired to the Trustee. The Trustee will release the funds covering the purchase only after the securities (direct obligations of or guaranteed by the United States Government or New York State) are received by their investment custodian, or upon advice from the Federal Reserve Bank that securities have been received through Federal Reserve book entry. The requirement is for payment only against delivery, which is the same requirement used when Treasury Securities are purchased outright. The Board/Authority also receives written confirmation of the securities purchased underlying the repurchase agreement. The description of the securities is provided at the time the investment is made to enable the Board/Authority to price the securities and determine that the market value is sufficient to cover the principal and interest payment to be made at maturity.

During the term of repurchase agreement, the Board/Authority does not allow the bank or broker to substitute securities for the original securities purchased. This prohibition reinforces the Board/Authority's position that the transaction is a bona fide sale and delivery of securities against payment, and not collateral for the purpose of securing a loan. These securities are priced at current market value, including accrued interest, which further reinforces the position that the securities are purchased.

Repurchase agreements may be made for overnight investments for periods generally not to exceed 30 days. This requirement protects the Board/Authority from significant fluctuations occurring in the market value of securities. If the market value is not equal to the amount of the investment and the interest to be paid at maturity, additional securities are delivered to cover the investment.

COLLATERALIZATION

The availability of appropriate collateral influences the type of investment and the bank in which an investment is placed. The collateral for investments for the Board/Authority will be limited to direct obligations of the United States Government or New York State. The collateral is generally held by the Trustee in the Board/Authority's name. All demand deposits, time deposits, certificates of deposit, and money market accounts will be collateralized for amounts over and above Federal Deposit Insurance Company or other applicable coverage. The market value and accrued interest of the collateral will equal the value of the investment and any accrued interest at all times. The recorded value of the collateral backing any investment will be compared with current market values at the time of the initial investment and on a monthly basis, to be certain that it continues to be a least equal to the value of the investment plus accrued interest. Each bank that provides collateral will enter into an agreement with the Board/Authority which provides for, among other things, (1) which collateral may be substituted and (2) that the custodian is holding the securities solely for the benefit of the Board/Authority and makes no claim thereto.

ALBANY WATER BOARD AND

ALBANY MUNICIPAL WATER FINANCE AUTHORITY

INVESTMENT POLICY

PERFORMANCE EVALUATION AND AUDIT

The Board and Authority's investment advisor will prepare written quarterly reports on the performance of the investments and the related collateral information. In addition, investments will be reviewed on a monthly basis through reporting prepared by the Board/Authority's independent accountants. The reporting process will provide for a means for the Boards to jointly evaluate the investment performance and evaluate compliance with the investment program. On an annual basis, the Board/Authority will have an annual independent audit of all investments performed in accordance with Section 2925 of the Public Authority's Law.

REPORTING

The following reports will be prepared as described:

- Quarterly Investment Reports to the Boards - On behalf of the Board/Authority, the investment advisor will prepare a quarterly financial report for the Boards. The report will indicate, among other financial information, the inventory of existing investments, including collateral information. The investment advisor will also meet quarterly with the Board/Authority to review investments and other matters.

- Financial Statements - The Board/Authority's annual financial statements will contain all of the footnote disclosures on deposits with the financial institutions and investments required by the Government Accounting Standards Board Statement No. 3 "Deposits With Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements."

- Annual Investment Report - An annual investment report will be prepared which includes the investment guidelines required by Section 2925 of the Office of the State Comptroller, and any amendments to such guidelines since the last investment report, the results of the annual independent audit, the investment income record of the Board/Authority, and a list of total fees, commissions or other charges paid to each investment advisor.

Albany Water Board

Indemnification Policy

The Albany Water Board ("AWB") as per their By-Laws shall, to the fullest extent permitted by law, provide for and indemnify any person (and his/her testator or intestate) 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 or an officer or employee of the Board or served, at the request of the Board, as an officer or employee of the Board or served, at the request of the Board, as an officer or employee of any subsidiary of the Board, against judgments, 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 Board and, in criminal actions or proceedings, had no reasonable cause to believe that any action taken by or conduct of such person was unlawful.

Adopted by the Albany Water Board as of: 3/10/87 (In the By-Laws)

Filed with the Department of State: 1/27/88

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