BY-LAWS

OF THE

ALBANY WATER BOARD

(ADOPTED MARCH 10, 1987)

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JAN 27 1988

Pursuant to the authority contained in section 1115-e of Title 6 of Article 5 of the Public Authorities Law, as set out in Chapter 868 of the 1986 Laws of the State of New York (the "Act"), the Albany Water Board (the "Board") hereby approves the following by-laws for the regulation of its activities:

ARTICLE I

THE BOARD

Section 1. NAME. The name of the Board shall be the "Albany Water Board".

Section 2. DESCRIPTION. The Board is a body corporate and politic constituting a public benefit corporation, created by and having the powers and functions set forth in the Act.

Section 3. MEMBERSHIP. The membership of the Board shall consist of such members as is provided for in the Act.

Section 4. SEAL. The official seal of the Board shall be in the form of a circle and shall bear the name of the Board and the year 1986.

Section 5. OFFICE. The principal office of the Board shall be located at City Hall, Eagle Street, Albany, New York.

ARTICLE II

OFFICERS, PERSONNEL AND COUNSEL

Section 1. OFFICERS. The officers of the Board shall be a Chairman, Vice Chairman, Secretary, Treasurer, and such other officers as the Board may determine. The initial officers of the Board shall be elected at a meeting of the Board and shall serve until the next annual meeting of the Board. Thereafter, the officers shall be elected at the annual meeting of the Board in each fiscal year.

Section 2. PERSONNEL. The Board may from time to time employ such personnel, including private consultants, for professional and technical assistance and advice, 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 Board, subject to applicable law.

Section 3. COUNSEL. The Board may retain general counsel to provide such legal assistance and advice to the Board as may be necessary. The Corporation Counsel to the City of Albany may act as general counsel to the Board.

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JAN 2 1988

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JAN 27 1988

ARTICLE III

TENURE OF OFFICE

Section 1. TERM. Each officer of the Board shall hold office for one year and each officer shall continue to hold office until such officer's successor is appointed. If the term of a Board member should be terminated, such member's term of office as an officer shall also terminate and at the regular meeting next succeeding such termination the members of the Board shall elect from among their number a successor who shall serve until the next annual meeting of the Board.

Section 2. OFFICERS HOLDING TWO OR MORE OFFICES. Any two or more offices may be held by the same person, except as otherwise provided by law. No officer shall execute or verify any instrument in more than one capacity if such instrument be required by law or otherwise to be executed or verified by any two or more officers.

ARTICLE IV

DUTIES OF OFFICERS

Section 1. CHAIRMAN. The Chairman shall be a member of the Board and shall preside at all meetings of the Board. The Chairman shall sign (manually or by facsimile signature) all agreements, contracts, and any other instruments of the Board on behalf of the Board when so authorized by the Board, and shall perform such other duties as may be prescribed for

FILED JAN 27 1988
Secretary of State

the Chairman by law or by the Board. The Chairman shall submit to the Board such recommendations and information as he may consider proper concerning the business, affairs, and policies of the Board.

Section 2. VICE CHAIRMAN. The Vice Chairman shall be a member of the Board and shall assume the powers and duties of the Chairman in case of the absence or disability of the Chairman. In the event of the resignation or death of the Chairman, the Vice Chairman shall become Acting Chairman and perform the duties of the Chairman until such times as the Board shall appoint a new Chairman.

Section 3. SECRETARY. The Secretary shall keep all records of the Board, record all the votes and record the minutes of the Board in a journal to be kept for that purpose, attend to the serving of notices of all meetings when required, keep in safe custody the seal of the Board and have power to affix such seal to all papers or other documents as may be required and to attest (by manual or facsimile signature) such seal, attend to such correspondence as may be assigned and perform such other duties as may be prescribed for the Secretary by law or by the Board. The Secretary need not be a member of the Board.

Section 4. TREASURER. The Treasurer shall be a member of the Board and shall have the care and custody of all funds and securities of the Board and shall deposit the same forthwith in the name of the Board in such bank or banks in the State of New York as the Board shall designate. The

Treasurer shall have charge of the treasury and custody of receipts, deposits and disbursements of all Board moneys. The Treasurer shall keep full and accurate and separate accounts of the various funds and money in the custody of the Board. The Treasurer shall at any reasonable time exhibit the books and accounts of the Board to any member of the Board upon application at the office of the Board during business hours, render to the Board at each regular meeting an account of the financial transactions and the current financial condition of the Board, and render a full financial report at the annual meeting of the Board. The Treasurer shall have such other powers and duties as are conferred upon the Treasurer by law or by the Board. The Treasurer shall give such bond for the faithful performance of the duties of his office as the Board shall determine and the premium therefor shall be paid by the Board.

Section 5. ADDITIONAL DUTIES. The officers of the Board shall perform such other duties and functions as may from time to time be required by the Board, by the by-laws of the Board, or by the rules and regulations of the Board.

Section 6. REMOVAL, RESIGNATION, SALARY, ETC. Any officer elected or appointed by the Board may be removed by the Board with or without cause. In the event of the death, resignation or removal of an officer, the Board in its discretion may elect a successor to fill the unexpired term

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JAN 27 1983
Secretary of State

of such officer at the next regular meeting of the Board. The officers of the Board may receive such compensation as the Authority shall determine.

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JAN 27 1988
Secretary of State

ARTICLE V

GENERAL PROVISIONS

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

Section 2. ANNUAL MEETING. The annual meeting of the Board shall be held on the first Monday in January at City Hall in the City of Albany. In the event such day shall fall on a legal holiday, the annual meeting shall be held on the next succeeding day that is not a legal holiday.

Section 3. MEETINGS. Regular meetings of the Board shall take place at such times and places as from time to time may be determined by the Board. The Chairman may, when the Chairman deems it desirable, and shall, upon the written request of two members of the Board, call a special meeting of the Board for the purpose of conducting any business designated in the call. The call for a special meeting may be delivered to each member of the Board at least one day before such special meeting or may be mailed to the business or home address of each such member at least three days prior to the date of such special meeting. Pursuant to Article 7 of the Public Officers Law, notice of any meeting shall be given to the news media and posted on a prominent bulletin

board in City Hall at the same time. Any regular or special meeting may be adjourned to any other time at the will of a majority of the members of the Board present and voting at such meeting.

Section 4. WAIVER OF NOTICE. Failure to give notice of any meeting of the Board to any member of the Board may be waived in writing by such member. Notice of an adjourned meeting need not be given to any member present at the time of the adjournment.

Section 5. QUORUM. No action shall be taken by the Board except pursuant to the favorable vote of at least three members of the Board. A majority of the members present, whether or not a quorum is present, may adjourn any meeting to another time or place.

Section 6. ORDER OF BUSINESS. The order of business at regular meetings shall be:

(a) Roll call and determination of quorum.

(b) Reading of minutes of previous meeting.

(c) Approval of the minutes of previous meeting.

(d) Reports of committees.

(e) Bills and communications.

(f) Unfinished business.

(g) New business.

(h) Adjournment.

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JAN 27 1988
Secretary of State

Section 7. COMMITTEES. The Chairman, Vice Chairman and members of all committees shall be appointed by the Chairman of the Board, who shall be an ex-officio member of each

committee. A quorum of any committee shall consist of a majority of the members of that committee.

Section 8. EXECUTION OF INSTRUMENTS. All Board instruments and documents shall be signed or countersigned, executed, verified or acknowledged by such officer or official or other person or persons as provided in these by-laws or as the Board may from time to time designate.

ARTICLE VI

AMENDMENTS

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

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JAN 27 1988
Secretary of State

ARTICLE VII

INDEMNIFICATION

Section 1. GENERAL SCOPE OF INDEMNIFICATION. The Board 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 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.

Section 2. PRESUMPTION. The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction or upon a plea of nolo contendere, or its equivalent, shall not in itself create a presumption that any such member, officer or employee did not act in good faith for a purpose which such person reasonably believed to be in the best interests of the Board or that such person had reasonable cause to believe that any such action or conduct was unlawful.

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JAN 27 1988
Secretary of State

STATE OF NEW YORK)
) SS.:
COUNTY OF ALBANY)

I, the undersigned Secretary of the Albany Water Board (the "Board") DO HEREBY CERTIFY that the annexed By-Laws of the Board are the true By-Laws of the Board, duly adopted at a meeting of the Board held on the 10th day of March, 1987, that I have compared the annexed By-Laws with the original thereof on file in the office of the Board and said By-Laws are a true and correct copy of said original..

I FURTHER CERTIFY that (A) all members of said Board had due notice of said meeting, (B) said meeting was in all respects duly held, (C) pursuant to Article 7 of the Public Officers Law, said meeting was open to the general public, and public notice of the time and place of said meeting was duly given in accordance with Article 7 of the Public Officers Law and (D) there was a quorum of the members of the Board present throughout said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 2nd day of April, 1987.

Leo P. Dean, Secretary

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JAN 27 1988

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