
Agenda

GOVERNANCE COMMITTEE MEETING
February 22, 2023 at 8:00 a.m.
Watershed Education Center (Vitale Park)
Lakeville, NY 14480

1. **Review Current Administrative Policies**
2. **Review and Discussion of updated Administrative Policies**
 - **A01-001 Livingston County Water and Sewer Authority Mission**
 - **A01-002 By Laws of the Livingston County Water and Sewer Authority**
 - **A01-003 Code of Ethics**
 - **A01-004 Governance Committee Charter**

Next Meeting: Wednesday, March 22, 2023 @ 8 am

Public Authorities Law
Public Authority Accountability Act of 2005

1. Role & Responsibilities of Board Members (Act §18, amends Public Authorities Law [“PAL”] §2824)

A. Authority Board Member Responsibilities are defined to include:

1. Executing direct oversight of authority’s chief executive & other senior management in the effective & ethical management.
2. Understanding, reviewing & monitoring implementation of fundamental financial & management controls & operational decisions.
3. Establishing policies regarding payment of salary, compensation & reimbursements to, & establishing rules for time & attendance of, chief executive officer & senior management.
4. Adopting a code of ethics applicable to each officer, director & employee that, at a minimum, included standards established in Section 74 of the Public Officers Law.
5. Establishing written policies & procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or board member, investments, travel, acquisition of real property & disposition of real & personal property & procurement of goods & services.
6. Adopting a defense & indemnification policy & disclosing such plan to any & all prospective board members.

B. Training

1. Board members must participate in state approved training regarding their legal, fiduciary, financial & ethical responsibilities as directors within 1 year of appointment to the board.
2. Board members must participate in continuing training as may be required to remain informed of best practices, regulatory & statutory changes relating to effective oversight of management & financial activities of authorities.

C. Separation of Board & Management

No board member can serve as an authority’s CEO, executive director, CFO, comptroller, or hold any other equivalent position while also serving as a board member.

D. Extension of Credit

The board is prohibited from extending or maintaining credit, arranging for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, board member or employee.

E. Establishment of Committees

1. Audit Committee: Each public authority must establish an audit committee comprised of “independent” members. To the extent practicable, members of the audit committee should be familiar with corporate financial accounting practices. This committee must recommend to the board the hiring of a CPA firm, establish compensation to be paid to the CPA firm & provide direct oversight of the performance of the independent annual audit performed by the CPA firm.
2. Governance Committee: Each public authority must establish a governance committee to be comprised of “independent” members. This committee must keep the board informed of current best governance practices, review corporate governance trends, update the authority’s governance principles, & advise appointing authorities on the skills & experiences required of potential board members.

2. Board Member Independence & Financial Disclosure (Act §19)

A. Independent Member Requirements

Except for board members who serve as members by virtue of holding a civil office of the state, the majority of the remaining members who are appointed on or after 1/13/06 must be independent. An independent member is one who:

1. Is not, & in the past 2 years has not been, employed by the public authority or an affiliate in an executive capacity;
2. Is not, & in the past 2 years has not been, employed by an entity that received remuneration valued at more than \$15,000 for goods & services provided to the public authority or received any other financial assistance valued at more than \$15,000 from the authority.
3. Is not a relative of an executive officer or employee in an executive position of the authority or an affiliate.
4. Is not, & in the past 2 years has not been, a lobbyist registered under a state or local law & paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the public authority or an affiliate.

B. Financial Disclosure Requirements

Board members, officers & employees are required to file annual financial disclosure statements. Board members of local authorities must file with the county board of ethics for the county in which the local public authority has its primary office pursuant to Article 18 of the General Municipal Law.

3. Annual Report (Act § 15)

A. Annual Report Contents

The authority must submit reports to the chief executive officer, chief fiscal officer, chairperson of the legislative body of the local government(s), and the Authority Budget Office.

1. Operations & Accomplishments during the year

2. Receipts (revenues) & disbursements (expenses) during the year
3. Assets & Liabilities at the end of the year including the status of reserve, depreciation, special or other funds & including the receipts & payments of these funds.
4. Schedule of its bonds/notes outstanding at the end of the year, together with a statement of the amounts redeemed & incurred during the year as a part of a schedule of debt issuance.
5. A compensation schedule salary, compensation, allowance and/or benefits provided to any officer, director or employee in a decision making or managerial position of such authority whose salary is in excess of \$100,000.
6. Projects undertaken by the authority during the year.
7. Listing of all real property of the authority in excess of \$15,000 fair market value that the authority intends to dispose of: (ii) all such property held by the authority at the end of the period covered by the report, and (iii) all such property disposed of during such period.
8. Authority's code of ethics; and an assessment of the effectiveness of its internal control structure & procedures.

B. Certification of Financial Reports

Every financial report submitted in the annual report must be approved by the board & must be certified in writing by the CEO & the CFO of such authority.

C. Web Sites

As practicable, the authority must post its mission, current activities, most recent annual financial report, current year budget & its most recent independent audit report on its web site.

4. Budget Report (Act §16)

The Authority must submit (at least 60 days before the start of the fiscal year) to the chief executive officer, chief fiscal officer, chairperson of the legislative body of the local government(s), & the Authority Budget Office a budget report containing, for operations & capital construction:

actual receipts & expenditures of last completed fiscal year
 estimated receipts & expenditures for the next fiscal year
 estimated receipts & expenditures for the current year.

5. Independent Audit & Audit Report (Act §17)

A. The Independent Audit Report

The Authority must submit a copy of the annual independent audit report (performed by a CPA firm in accordance with generally accepted government auditing standards), a management letter, & any other external examination of the books & accounts of the authority, other than examinations made by the State Comptroller to the chief executive officer, chief fiscal officer, chairperson of the legislative body of the local government(s), & the Authority Budget Office. An Authority may exempt information from disclosure if it may be exempted pursuant to "FOIL".

Independent Auditor must report to the Audit Committee:

- a. All critical accounting policies & practices to be used;

- b. All alternative treatments of financial information within GAAP that have been discussed with management officials, ramification of the use of such alternative disclosures & treatments, & the treatment preferred by the CPA.
- c. Other material written communications between CPA & management, such as the management letter along with management's response or plan of corrective action, material corrections identified or schedule of unadjusted differences, where applicable.

6. Property Disposition (Act §20)

A. Property Disposal Guidelines

Adopt comprehensive guidelines which detail policies regarding property disposal contracts & appoint a Contracting Officer to be responsible for compliance & enforcement of such guidelines. Guidelines should be reviewed annually by the board & filed with the Comptroller & posted on the authority web site.

B. Property Reports

Every year the authority must publish a list of real & personal property & provide a description of the property disposed of during the year.

7. Investment Guidelines (Act §21)

Authority must adopt & review comprehensive investment guidelines which detail the authority's operative policy & instruction to officers & staff regarding the investing, monitoring & reporting of funds of the corporation. These guidelines must be reviewed annually.

**Livingston County Water & Sewer Authority
Code of Ethics**

Definition

Authority employee: shall mean any member, officer or employee of the Authority.

Conflicts of Interest

No Authority employee 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 with the proper discharge of his/her duties in the public interest.

No Authority employee employed on a full-time basis nor any firm or association of which such an employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such employee, should sell goods or services to any person, firm, corporation or association that is licensed or whose rates are fixed by the Authority in which such employee services or is employed.

If any Authority 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 or she should file with the secretary of state a written statement that he or she has such a financial interest in such activity which statement shall be open to public inspection.

Standards

Authority employees should not:

1. Accept other employment that will impair his/her independence of judgment in the exercise of his/her official duties.
2. 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 duty.
3. Disclose confidential information acquired in the course of his/her official duties nor use such information to further his/her personal interests.
4. Use or attempt to use his/her official position to secure unwarranted privileges or exemptions for him/herself or others.
5. Engage in any transaction as representative or agent of the Authority with any business entity in which he/she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his/her duties.

6. By his/her conduct give reasonable basis for the impression that any person can improperly influence such employee or unduly enjoy his/her favor in performance of his/her official duties or that he/she is affected by the kinship, rank, position or influence of any party or person.
7. Abstain from making personal investments in enterprises that he/she has reason to believe may be directly involved in decisions to be made by the employee or that will otherwise create substantial conflict between his/her duty in the public interest and his/her private interest.
8. Pursue a course of conduct that will raise suspicion among the public that he/she is likely to be engaged in acts that are in violation of his/her trust.

Violations

In addition to any penalty contained in any other provision of law any officer, member or employee who knowingly & intentionally violates any of the provisions of the Code of Ethics may be fined, suspended or removed from office or employment in the manner provide by law.

Livingston County Disclosure

It is expected that Authority employees also behave according to the Livingston County Ethics and Disclosure Law.

**Livingston County Water & Sewer Authority
Code of Ethics**

Definition

Authority employee: shall mean any member, officer or employee of the Authority.

Conflicts of Interest

No Authority employee 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 with the proper discharge of his/her duties in the public interest.

No Authority employee employed on a full-time basis nor any firm or association of which such an employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such employee, should sell goods or services to any person, firm, corporation or association that is licensed or whose rates are fixed by the Authority in which such employee services or is employed.

If any Authority 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 or she should file with the secretary of state a written statement that he or she has such a financial interest in such activity which statement shall be open to public inspection.

Standards

Authority employees should not:

1. Accept other employment that will impair his/her independence of judgment in the exercise of his/her official duties.
2. 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 duty.
3. Disclose confidential information acquired in the course of his/her official duties nor use such information to further his/her personal interests.
4. Use or attempt to use his/her official position to secure unwarranted privileges or exemptions for him/herself or others.
5. Engage in any transaction as representative or agent of the Authority with any business entity in which he/she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his/her duties.
6. By his/her conduct give reasonable basis for the impression that any person can improperly influence such employee or unduly enjoy his/her favor in performance

of his/her official duties, or that he/she is affected by the kinship, rank, position or influence of any party or person.

7. Abstain from making personal investments in enterprises that he/she has reason to believe may be directly involved in decisions to be made by the employee or that will otherwise create substantial conflict between his/her duty in the public interest and his/her private interest.
8. Pursue a course of conduct that will raise suspicion among the public that he/she is likely to be engaged in acts that are in violation of his/her trust.

Violations

In addition to any penalty contained in any other provision of law any officer, member or employee who knowingly & intentionally violates any of the provisions of the Code of Ethics may be fined, suspended or removed from office or employment in the manner provided by law.

Livingston County Disclosure

It is expected that Authority employees also behave according to the Livingston County Ethics and Disclosure Law.

TITLE 8-G*

LIVINGSTON COUNTY WATER AND SEWER AUTHORITY

Section 1199-aaaa*. Definitions.

- 1199-bbbb*. Livingston county water and sewer authority district.
- 1199-cccc*. Livingston county water and sewer authority.
- 1199-dddd*. Powers of the authority.
- 1199-eeee*. Advances on behalf of the authority; acquisition of property by county for authority.
- 1199-ffff*. Transfer of officers and employees.
- 1199-gggg*. Bonds of the authority.
- 1199-hhhh*. Remedies of bondholders.
- 1199-iiii*. State and municipalities not liable on authority bonds.
- 1199-jjjj*. Moneys of the authority.
- 1199-kkkk*. Bonds legal investments for fiduciaries.
- 1199-llll*. Agreement with the state.
- 1199-mmmm*. Exemption from taxes, assessments and certain fees; payments in lieu of taxes.
- 1199-nnnn*. Actions against the authority.
- 1199-pppp*. Construction and purchase contracts.
- 1199-qqqq*. Code of ethics.
- 1199-rrrr*. Equal employment opportunity.
- 1199-ssss*. Audit and annual report.
- 1199-tttt*. Environmental applications, proceedings, approvals and permits.
- 1199-uuuu*. Limited liability.
- 1199-vvvv*. Governmental capacity of the authority and municipalities.
- 1199-wwww*. Separability clause.
- 1199-xxxx*. Effect of inconsistent provisions.

S 1199-aaaa*. Definitions. As used or referred to in this title, unless a different meaning clearly appears from the context:

1. "Authority" shall mean the corporation created by section one thousand one hundred ninety-nine-cccc of this title.
2. "Board" shall mean the members of the authority constituting and acting as the governing board of the authority.
3. "Board of supervisors" shall mean the board of supervisors of Livingston county.
4. "Bonds" shall mean the bonds, notes or other evidences of indebtedness issued by the authority pursuant to this title, and the provisions of this title relating to bonds and bondholders shall apply with equal force and effect to notes and noteholders, respectively, unless the context otherwise clearly requires.
5. "Civil service commission" shall mean the personnel officer of the county of Livingston or any other person or entity acting as the civil

service commission of the county of Livingston.

6. "Comptroller" shall mean the comptroller of the state of New York.

7. "Construction" shall mean the negotiation, acquisition, erection, building, alteration, improvement, testing, increase, enlargement, extension, reconstruction, interconnection, renovation or rehabilitation of a water, sewerage or water and sewerage facility, as the case may be; the inspection and supervision thereof; and the engineering, architectural, legal, appraisal, fiscal, economic and environmental investigations, services and studies, surveys, designs, plans, working drawings, specifications, procedures and other actions preliminary or incidental thereto.

8. "Costs", as applied to any project, shall include the cost of construction, the cost of the acquisition of all property, including both real, personal and mixed, the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any land to which such buildings or structures may be moved or relocated, the cost of all systems, facilities, machinery, apparatus and equipment, financing charges, interest prior to, during and after construction to the extent not paid or provided for from revenues or other sources, the cost of engineering and architectural surveys, plans and specifications, the cost of consultant and legal services, the cost of lease guarantee or bond insurance or other credit enhancement associated with bonds of the authority (including notes) and the cost of other expenses necessary or incidental to the construction of such project and the financing of the construction thereof, including the amount authorized in the resolution of the authority providing for the issuance of bonds to be paid into any reserve or other special fund from the proceeds of such bonds and the financing of the placing of any project in operation, including the reimbursement to the county, or any municipality, state agency, the state, the United states government, or any other person for expenditures made by them that would be costs of the project hereunder.

9. "County" shall mean the county of Livingston.

10. "Distribution system" shall mean the water facility or facilities employed to deliver water from a transmission facility, or where there is no transmission facility, from a supply facility, to the ultimate consumers of water.

11. "District" shall mean the Livingston county water and sewer authority district created by section eleven hundred ninety-nine-bbbb of this title.

12. "Governing body" shall mean:

(a) In the case of a city, county, town or village or district corporation the finance board as such term is defined in the local finance law;

(b) In the case of a public benefit corporation, the members thereof.

13. "Members" shall mean the members of the board.

14. "Municipality" shall mean any county, city, town, village, improvement district under the county or town law, any other such instrumentality, including any agency or public corporation of the state, or any of the foregoing or any combination thereof.

15. "Person" shall mean any natural person, partnership, association, joint venture or corporation, exclusive of a public corporation as defined pursuant to article two-A of the general construction law.

16. "Real property" shall mean lands, structures, franchises, rights and interests in land, waters, lands underwater, groundwater, riparian rights and air rights and any and all things and rights included within said term "real property" and includes not only fee simple absolute, but also any and all lesser interests including, but not limited to, easements, rights-of-way, uses, leases, licenses and all other incorporeal hereditaments and every estate, interest or right, legal or equitable, including terms for years and liens thereon by way of judgments, mortgages or otherwise.

17. "State sanitary code" shall mean regulations adopted pursuant to section two hundred twenty-five of the public health law.

18. "Sewage" means the water-carried human or animal wastes from residences, buildings, industrial establishments or other places, together with such groundwater infiltration and surface water as may be present. The admixture with sewage of industrial or other waste also shall be considered "sewage" within the meaning of this title.

19. "Sewerage facility" or "sewerage facilities" means any plants, structures and other real and personal property acquired, rehabilitated or constructed or planned for the purpose of collecting, conveying, pumping, treating, neutralizing, storing and disposing of sewage, including but not limited to main, trunk, intercepting, connecting, lateral, outlet or other sewers, outfalls, pumping stations, treatment and disposal plants, ground water recharge basins, back-flow prevention devices, sludge dewatering or disposal equipment and facilities, clarifiers, filters, phosphorus removal equipment and other plants, works, structures, equipment, vehicles, conveyances, contract rights, franchises, approaches, connections, permits, real or personal property or rights therein and appurtenances thereto necessary or useful and convenient for the collection, conveyance, pumping, treatment, neutralizing, storing and disposing of sewage.

20. "State" shall mean the state of New York.

21. "State agency" shall mean any state office, public benefit corporation, department, board, commission, bureau or division, or other agency or instrumentality of the state.

22. "Supply facility" shall mean a water facility employed to make groundwater or surface water available for delivery into a transmission facility or distribution system.

23. "System revenues" shall mean all rates, rents, fees, charges, payments and other income and receipts derived by the authority

including, without limiting the generality of the foregoing, investment proceeds and proceeds of insurance, condemnation, sales or other dispositions of assets, together with all federal, state or municipal aid as well as any other income derived from the operation of the water facility of the authority.

24. "Transmission facility" shall mean a water facility used to carry water from a supply facility to a distribution system.

25. "Treasurer" shall mean the treasurer of the authority.

26. "Water facility" or "water facilities" shall mean any plants, structures or other real and personal property acquired, rehabilitated or constructed or planned for the purpose of accumulating, supplying, transmitting, distributing or treating water, including but not limited to surface or groundwater reservoirs, basins, dams, canals, aqueducts, standpipes, conduits, pipelines, mains, pumping stations, pumps, water distribution systems, compensating reservoirs, intake stations, waterworks or sources of water supply, wells, purification or filtration plants or other treatment plants and works, approaches, connections, water meters, rights of flowage or diversion and other plants, structures, equipment, vehicles, towers, conveyances, real or personal property or rights therein and appurtenances thereto necessary or useful and convenient for the accumulation, supply, transmission, treatment or distribution of water.

27. "Water project" shall mean any sewerage facility, water facility or water and sewerage facility, as the case may be, including the planning, development, financing or construction thereof.

28. "Watershed rules" shall mean the rules and regulations made by the department of health pursuant to section eleven hundred of the public health law.

S 1199-bbbb*. Livingston county water and sewer authority district. There is hereby defined and established a district to be known as the "Livingston county water and sewer authority district" which shall embrace all of the territory located within the county of Livingston.

S 1199-cccc*. Livingston county water and sewer authority. 1. A public corporation known as the "Livingston county water and sewer authority" is hereby created for the public purposes and charged with the duties and having the powers provided in this title. The authority shall be a corporate governmental agency constituting a public benefit corporation and shall be a "public district" for the purposes of section eighty-nine-1 of the public service law. The authority shall be governed by a board consisting of seven members, who shall be residents of the county and be appointed by resolution of the board of supervisors. The first members appointed shall be appointed for the following terms: two for a term ending on December thirty-first of the year following the year in which this title shall have become law; two for a term ending on

December thirty-first of the second year following the year in which this title shall have become law; and three for a term ending on December thirty-first of the third year following the year in which this title shall have become law. Subsequent appointment of members shall be made in the same manner and for terms of three years ending in each case on December thirty-first of the last year of such term. All members shall continue to hold office until their successors are appointed and have qualified. Vacancies shall be filled in the manner provided for original appointment. Vacancies occurring otherwise than by expiration of terms of office, shall be filled by appointment for the unexpired terms. Members may be removed from office for the same reasons and in the same manner as may be provided by law for the removal of officers of the county. In addition, members may be removed from office by the board of supervisors for inefficiency, neglect of duty or misconduct in office, after the board of supervisors has given such member a copy of the charges against him and opportunity to be heard in person or by counsel in his defense, upon not less than ten days notice. If a member fails to attend three consecutive regular meetings of the authority, unless such absence is for good cause and is excused by the chairperson of the authority or other presiding officers, or in the case of the chairperson of the authority, by the chairman of the board of supervisors, the office may be deemed vacant for purposes of the nomination and appointment of a successor. The officers of the authority shall receive from the authority such salary, if any, as shall be determined from time to time by the board of supervisors. In addition, members and officers shall be entitled to reimbursement of their actual and necessary expenses, including travel expenses, incurred in the discharge of their duties.

2. The powers of the authority shall be vested in and shall be exercised by the board at a meeting duly called and held where a quorum of four members is present. No action shall be taken by the authority except pursuant to the favorable vote of at least four members. The board may delegate to one or more of its members, or to one or more of the officers, agents or employees of the authority, such powers and duties as it may deem proper.

3. The officers of the authority shall consist of a chairperson, vice chairperson, and treasurer who shall be members of the board and a secretary who need not be a member of the board. The officers of the authority shall be appointed by the board and shall serve in such capacities at the pleasure of the board. In addition, the board may appoint and at its pleasure remove such additional officers and employees as it may determine necessary for the performance of the powers and duties of the authority and fix and determine the qualifications, duties and compensation of such additional officers and employees, subject to the provisions of the civil service law of the state and such rules as the civil service commission may adopt and make

applicable to the authority. The authority may also from time to time contract for expert professional services. The treasurer shall execute a bond, conditioned upon the faithful performance of the duties of his or her office, the amount and sufficiency of which shall be approved by the board, and the premium therefor shall be paid by the authority.

4. Notwithstanding any inconsistent provision of any general, special or local law, ordinance, resolution or charter, no officer, member or employee of the state, any municipality, or any public benefit corporation, shall forfeit his or her office or employment by reason of his or her acceptance of appointment as a member, officer, agent or employee of the authority, nor shall service as such member, officer, agent or employee be deemed incompatible or in conflict with such office, membership or employment, and one or more members of the board of supervisors may be appointed to serve as a member of the authority.

5. (a) The chairman of the board of supervisors shall file within one year after the effective date of this title, in the office of the secretary of state, a certificate signed by the chairman of the board of supervisors setting forth: (i) the name of the authority; (ii) the names of the initial members of the board and their terms of office; and (iii) the effective date of this title. If such certificate is not filed with the secretary of state on or before such date, then the corporate existence of the authority shall thereupon terminate and it shall thereupon be deemed to be and shall be dissolved.

(b) Except as provided in paragraph (a) of this subdivision, the authority and its corporate existence shall continue until terminated by law, provided, however, that no such law shall take effect so long as the authority shall have bonds or other obligations outstanding unless adequate provision has been made for the payment or satisfaction thereof. Upon termination of the existence of the authority, all of the rights and properties of the authority then remaining shall pass to and vest in the county.

6. Neither the public service commission nor any other board or commission of like character, shall have jurisdiction over the authority in the management and control of its properties or operations of any power over the regulation of rates fixed or charges collected by the authority.

7. It is hereby determined and declared that the authority and the carrying out of its powers, purposes and duties are in all respects for the benefit of the people of the county and the state, for the improvement of their health, welfare and prosperity and that such purposes are public purposes and that the authority is and will be performing an essential governmental function in the exercise of the powers conferred upon it by this title.

8. Nothing in this title shall be construed to obligate the state in any way in connection with the operations or obligations of the authority.

S 1199-dddd*. Powers of the authority. Except as otherwise limited by this title, the authority shall have the power:

1. To sue and be sued;
2. To have a seal and alter the same at pleasure;
3. To borrow money and issue negotiable notes, bonds, or other obligations and to provide for the rights of the holders thereof;
4. To enter into contracts and execute all instruments necessary or convenient or desirable for the purposes of the authority to carry out any powers expressly given it in this title;
5. To acquire, by purchase, gift, grant, transfer, contract or lease or by condemnation pursuant to the eminent domain procedure law within the district, lease as lessee, hold and use and to sell, lease as lessor, transfer or otherwise dispose of, any real or personal property or any interest therein, within or without the district, as the authority may deem necessary, convenient or desirable to carry out the purpose of this title and to pay the costs thereof; provided, however, that the authority may not condemn real property of a municipality without the consent of the governing body of such municipality;
6. To purchase or refuse to purchase in the name of the authority, any water or sewerage facility, including plants, works, instrumentalities or parts thereof and appurtenances thereto, lands, easements, rights in land and water rights, rights-of-way, contract rights, franchises, permits, approaches, connections, dams, wells, pumps, reservoirs, water or sewer mains and pipe lines, pumping stations, treatment facilities, meters, equipment and inventory, or any other property incidental to and included in such system or part thereof, and any improvements, extensions and betterments, situated wholly within the district and to pay the costs thereof; provided, however that prior to the acquisition of any existing water or sewer district, the authority shall discuss and consider the status of current employees of the water or sewer district; and further provided, however, that the authority shall have the power to purchase any source of supply, supply facility, water supply system, or transmission facility or any part thereof situated wholly or partly without the territorial limits of the district, provided same shall be necessary in order to supply water within the district; and in connection with the purchase of such properties the authority may assume any obligations of the owner of such properties and, to the extent required by the terms of any indentures or other instruments under which such obligations were issued, the authority may assume and agree to perform covenants and observe the restrictions contained in such instruments; and furthermore the owner of any properties, which the authority is authorized to acquire, is hereby authorized to sell or otherwise transfer the same to the authority, whereupon the authority shall become charged with the performance of all public duties with respect to such properties with which such owner was charged and such

owner shall become discharged from the performance thereof, and as a means of so acquiring for such purpose, the authority may purchase all of the stock or any existing privately owned water corporation or company and in the case of a sale or other transfer of properties of a public utility corporation pursuant to this provision, upon the purchase of the stock of such corporation or company it shall be lawful to dissolve such corporation within a reasonable time;

7. To construct, improve, maintain, develop, expand or rehabilitate water or sewerage facilities and to pay the costs thereof;

8. To operate and manage and to contract for the operation and management of facilities of the authority;

9. To enter into contracts, and carry out the terms thereof, for the wholesale provision of water produced by supply facilities constructed, owned or operated by the authority, to municipalities and private water companies and to carry out the terms thereof, for the transmission of water from new or existing supply facilities;

10. To enter into contracts with municipalities or other persons for the collection, treatment and disposal of sewage;

11. To apply to the appropriate agencies and officials of the federal, state and local governments for such licenses, permits or approvals of its plans or projects as it may deem necessary or advisable, and upon such terms and conditions as it may deem appropriate, to accept, in its discretion, such licenses, permits or approvals as may be tendered to it by such agencies and officials;

12. To take all necessary and reasonable actions within the district to conserve, preserve and protect the water supply to the district, including the making of plans and studies, the adoption of watershed rules and regulations, the enforcing of compliance with all current and future rules and regulations of the state sanitary code with regard to water supply and usage, the requiring of cross-connection controls, the providing of educational material and programs to the public, and the cooperating with water suppliers outside the district to conserve, preserve and protect the entire water reserve as it is affected within and outside the authority's supply area;

13. To appoint such officers and employees as are required for the performance of its duties, to fix and determine their qualifications, duties and compensation, and to retain or employ counsel, auditors, engineers, and private consultants on a contract basis or otherwise for rendering professional or technical services and advice;

14. With the consent of the governing body of a municipality, to use officers and employees of such municipality and to pay a proper proportion of the compensation or costs for the services for such officers or employees;

15. To make plans and studies necessary, convenient or desirable for the effectuation of the purposes and powers of the authority and to prepare recommendations in regard thereto;

16. To prepare a water supply emergency plan which may include, but not be limited to, the following:

- (a) establishment of criteria and procedures to determine critical water levels or safe yield of system;
- (b) identification of existing and future sources of water under normal conditions and emergency conditions;
- (c) system capacity and ability to meet peak demand and fire flows concurrently;
- (d) storage capacities;
- (e) current condition of present interconnections and identification of additional interconnections to meet a water supply emergency;
- (f) specific action plan to be followed during a water supply emergency including a phased implementation of the plan;
- (g) general water conservation programs and water use reduction strategies for water supply users;
- (h) prioritization of water users;
- (i) identification and availability of emergency equipment needed during a water supply emergency; and
- (j) public notification program coordinated with the phased implementation schedule;

Such plan shall not be adopted until a public hearing on such plan shall have been held, upon not less than fourteen days' notice thereof to each customer, either by mail or by publication once in a newspaper having general circulation within the district; every five years, such plan shall be reviewed and revised if necessary after a public hearing, with notice to each customer as aforesaid;

17. To enter upon such lands, waters, or premises as in the judgment of the authority shall be necessary for the purpose of making surveys, soundings, borings and examinations to accomplish any purpose authorized by this title, the authority being liable only for actual damage done;

18. To apply for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the federal government or any agency or instrumentality thereof, or from the state or any agency or instrumentality thereof, or from any other source, for any or all of the purposes specified in this title, and to comply, subject to the provisions of this title, with the terms and conditions thereof;

19. To supply and sell water for domestic, commercial and public purposes at retail to individual consumers within the district or to collect, treat or discharge sewage produced within the district;

20. To purchase water in bulk from any person, private or public benefit corporation or municipality when necessary or convenient for the operation of such water system;

21. To produce, develop, distribute and sell water or sewerage services within or without the territorial limits of the district; and to purchase water from any municipality, town water district, person,

association or corporation, provided, however, that water or sewerage services may be sold at retail to individual consumers only within the district and further provided that in exercising the powers granted by this title, the authority shall not sell water in any area which is served by a water system or sewerage services in any area which is served by a sewerage system owned or operated by a municipality or special improvement district unless the governing body of such municipality or district shall adopt a resolution requesting the authority to sell water or sewerage services, as the case may be, in such served areas;

22. To make bylaws for the management and regulation of its affairs and rules and regulations for the conservation, preservation and protection of the authority's water supply and, subject to agreements with bondholders, rules for the sale of water or collection of sewage and the collection of rents and charges therefor. A copy of such rules, regulations and bylaws and any rules and regulations adopted pursuant to subdivision eleven of this section, and all amendments thereto, duly certified by the secretary of the authority shall be filed in the office of the county clerk of the county. In addition, the board of supervisors by local law shall have power to prescribe that violation of specific bylaws, rules, or rules and regulations of the authority, published once in a newspaper having general circulation within the county, shall be punishable by fine, not exceeding fifty dollars per violation;

23. To fix rates and collect charges for the use of the facilities of, or services rendered by, or any commodities furnished by the authority such as to provide revenues sufficient at all times to pay, as the same shall become due, the principal of and interest on the bonds, notes, or other obligations of the authority together with the maintenance of proper reserves therefor, in addition to paying as the same shall become due, the expense of operating and maintaining the properties of the authority together with proper maintenance reserves, capital reserves, repair reserves, tax stabilization reserves and other contingency reserves, and all other obligations and indebtedness of the authority; provided however, no such rates or charges shall be changed until a public hearing on such changes shall have been held upon not less than fourteen days notice thereof to each customer, either by mail or by publication once in a newspaper having general circulation within the bounds of the authority;

24. To enter into cooperative agreements with other authorities, municipalities, counties, cities, towns, villages, water districts, utility companies, individuals, firms or corporations, within or without the territorial limits of the district for the interconnection of facilities, the provision, exchange or interchange of services and commodities, the conservation, preservation and protection of the authority's water reserve as it is affected within and outside the authority's supply area, and, within the territorial limits of the

district, to enter into a contract for the construction, operation and maintenance of a water supply and distribution system by the authority for any municipality having power to construct and develop a water supply and distribution system or sewerage system or facilities, upon such terms and conditions as shall be determined to be reasonable including, but not limited to, the reimbursement of all costs of such construction, or for any other lawful purposes necessary or desirable to effect the purposes of this title, including the investment of funds;

25. To provide for the discontinuance or disconnection of the supply of water or sewerage service, or both, as the case may be, for nonpayment of fees, rates, rents or other charges therefor imposed by the authority, provided such discontinuance or disconnection of any water or sewerage service, or both, as the case may be, shall not be carried out except in the manner and upon the notice as is required of a waterworks corporation pursuant to subdivisions three-a, three-b and three-c of section eighty-nine-b and section one hundred sixteen of the public service law;

26. To act as a county water agency in accordance with the provisions of article five-A of the county law;

27. For the purposes of article fifteen-A of the executive law only, the authority shall be deemed a state agency as that term is defined in such article and its contracts for procurement, design, construction, services and materials shall be deemed state contracts within the meaning of that term as set forth in such article; and

28. To do all things necessary, convenient or desirable to carry out its purposes and for all exercise of the powers granted in this title.

S 1199-eeee*. Advances on behalf of the authority; acquisition of property by county for authority. 1. In addition to any powers granted to it by law, the county from time to time may appropriate sums of money, after approval by the board of supervisors, to or on behalf of the authority to defray project costs or any other costs and expenses of the authority. Subject to the rights of bondholders, the county at the time of the appropriation shall determine if the moneys so appropriated shall be subject to repayment by the authority to the county and, in such event, the manner and time or times for such repayment.

2. The county or any other municipality may give, grant, sell, convey, loan, license the use of or lease to the authority any property or facility which is useful to the authority in order to carry out its powers under this title. Any such transfer of property shall be upon such terms and conditions, subject to the rights of the holders of any bonds, as the authority and the county or other municipality may agree.

3. The county may acquire by purchase or by exercise of the power of eminent domain real property in the name of the county for any corporate purpose of the authority.

4. Notwithstanding the provisions of any other law, general, special

or local to the contrary, real property acquired by the authority or the county from the state may be used for any corporate purpose of the authority.

S 1199-ffff*. Transfer of officers and employees. 1. In accordance with the provisions of section seventy of the civil service law, any officer or employee of the county, may, at the request of the authority and with the consent of the board of supervisors, be transferred to the authority and shall be eligible for such transfer and appointment, without further examination, to applicable offices, positions and employment under the authority. Any such officers or employees so transferred to the authority pursuant to this section, who are members of or benefit under any existing pension or retirement fund or system, shall continue to have all rights, privileges, obligations and status with respect to such fund or system as are now prescribed by law, but during the period of their employment by the authority, all contributions to such funds or systems to be paid by the employer on account of such officers or employees shall be paid by the authority.

2. A transferred employee shall remain in the same collective bargaining unit as was the case prior to his or her transfer; successor employees to the positions held by such transferred employees shall, consistent with the provisions of article fourteen of the civil service law, be included in the same unit as their predecessors. Employees serving in positions in newly created titles shall be assigned to the same collective bargaining unit as they would have been assigned to such unit were such titles created prior to the establishment of the authority. Nothing contained in this title shall be construed (a) to diminish the rights of employees pursuant to a collective bargaining agreement or (b) to affect existing law with respect to an application to the public employment relations board seeking a designation by the board that certain persons are managerial or confidential.

S 1199-gggg*. Bonds of the authority. 1. The authority shall have the power and is hereby authorized from time to time to issue bonds, notes or other obligations to pay the cost of any project or for any other corporate purpose, including the establishment of reserves to secure the bonds, the payment of principal of, premium, if any, and interest on the bonds and the payment of incidental expenses in connection therewith. The aggregate principal amount of such bonds, notes or other obligations shall not exceed forty-two million dollars (\$42,000,000), excluding bonds, notes or other obligations issued to refund or otherwise repay bonds, notes or other obligations theretofore issued for such purposes provided, however, that upon any such refunding or repayment the total aggregate principal amount of outstanding bonds, notes or other obligations may be greater than forty-two million dollars (\$42,000,000) only if the present value of the aggregate debt service of the refunding

or repayment bonds, notes or other obligations to be issued shall not exceed the present value of the aggregate debt service of the bonds, notes or other obligations so to be refunded or repaid. For purposes hereof, the present values of the aggregate debt service of the refunding or repayment bonds, notes or other obligations and of the aggregate debt service of the bonds, notes or other obligations and of the aggregate debt service of the bonds, notes or other obligations so refunded or repaid, shall be calculated by utilizing the effective interest rate of the refunding or repayment bonds, notes or other obligations, which shall be that rate arrived at by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the refunding or repayment bonds, notes or other obligations from the payment dates thereof to the date of issue of the refunding or repayment bonds, notes or other obligations and to the price bid including estimated accrued interest or proceeds received by the authority including estimated accrued interest from the sale thereof. The authority shall have the power and is hereby authorized to enter into such agreements and perform such acts as may be required under any applicable federal legislation to secure a federal guarantee of any bonds.

2. The authority shall have power from time to time to renew bonds or to issue renewal bonds for such purpose, to issue bonds to pay bonds, and, whenever it deems refunding expedient, to refund any bond by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any other corporate purpose of the authority. Bonds (other than notes or other evidence of indebtedness) issued for refunding purposes, which have a final maturity date longer than the maturity of the bonds being refunded, shall be approved by a resolution of the board of supervisors adopted by a majority vote and approved by the county treasurer. Bonds issued for refunding purposes shall be sold and the proceeds applied to the purchase, redemption or payment of the bonds or notes to be refunded.

3. Bonds issued by the authority may be general obligations secured by the faith and credit of the authority or may be special obligations payable solely out of particular revenues or other moneys as may be designated in the proceedings of the authority under which the bonds shall be authorized to be issued, subject as to priority only to any agreements with the holders of outstanding bonds pledging any particular property, revenues or moneys. The authority may also enter into loan agreements, lines of credit and other security agreements and obtain for or on its behalf letters of credit, insurance, guarantees or other credit enhancements to the extent not or hereafter available, in each case for securing its bonds or to provided direct payment of any costs which the authority is authorized to pay.

4. Bonds shall be authorized by resolution of the authority, be in

such denominations and bear such date or dates and mature at such time or times, as such resolution may provide, provided that bonds and renewals thereof shall mature within forty years from the date of original issuance of any such bonds.

Bonds shall be subject to such terms of redemption, bear interest at such rate or rates, be payable at such times, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, and be subject to such terms and conditions as such resolution may provide. Notwithstanding any other provision of law, the bonds of the authority issued pursuant to this section shall be sold to the bidder offering the lowest true interest cost, taking into consideration any premium or discount not less than four nor more than fifteen days, Sundays excepted, after a notice of such sale has been published at least once in a newspaper of general circulation in the area served by the authority, which shall state the terms of the sale. The terms of the sale may not change unless notice of such change is published in such newspaper at least one day prior to the date of the sale as set forth in the original notice of sale. Advertisements shall contain a provision to the effect that the authority, in its discretion, may reject any or all bids made in pursuance of such advertisements, and in the event of such rejection, the authority is authorized to negotiate a private or public sale or readvertise for bids in the form and manner above described as many times as, in its judgment, may be necessary to effect satisfactory sale.

Notwithstanding the provisions of the preceding paragraph, whenever in the judgment of the authority the interests of the authority will be served thereby, the members of the authority, on the written recommendation of the chairperson, may authorize the sale of such bonds at private or public sale on a negotiated basis or on either a competitive or negotiated basis. The authority shall set guidelines governing the terms and conditions of any such private or public sales. The private or public bond sale guidelines set by the authority shall include, but not be limited to, a requirement that where the interests of the authority will be served by a private or public sale of bonds, the authority shall select underwriters for each private or public bond sale conducted pursuant to a request for proposal process and consideration of proposals from qualified underwriters taking into account, among other things, qualifications of underwriters as to experience, their ability to structure and sell authority bond issues, anticipated costs to the authority, the prior experience of the authority with the firm, if any, the capitalization of such firms, participation of qualified minority and women-owned business enterprise firms in such private or public sales of bonds of the authority and the experience and ability of firms under consideration to work with minority and women-owned business enterprises so as to promote and

assist participation by such enterprises.

The authority shall have the power from time to time to amend such private bond sale guidelines in accordance with the provisions of this subdivision.

No private or public bond sale on a negotiated basis shall be conducted by the authority without prior approval of the state comptroller. The authority shall annually prepare and approve a bond sale report which shall include the private or public bond sale guidelines as specified in this subdivision, amendments to such guidelines since the last private or public bond sale report, an explanation of the bond sale guidelines and amendments, and the results of any sale of bonds conducted during the fiscal year. Such bond sale report may be a part of any other annual report that the authority is required to make.

The authority shall annually submit its bond sale report to the state comptroller and copies thereof to the senate finance committee and the assembly ways and means committee.

The authority shall make available to the public copies of its bond sale report upon reasonable request thereof.

Nothing contained in this subdivision shall 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, the provisions of this subdivision.

5. Any resolution or resolutions authorizing bonds or any issue of bonds by the authority may contain provisions which may be part of the contract with the holders of the bonds thereby authorized as to:

(a) pledging all or part of its revenues, together with any other moneys, or property of the authority, to secure the payment of the bonds or any costs of issuance thereof, including but not limited to any contracts, earnings or proceeds of any grant to the authority received from any private or public source, subject to such agreements with bondholders as may then exist;

(b) the rates, rentals, fees and other charges to be fixed and collected by the authority and the amounts to be raised in each year thereby, and the use and disposition of revenues;

(c) the setting aside of reserves and the creation of sinking funds and the regulation and disposition thereof;

(d) limitations on the purpose to which the proceeds from the sale of bonds may be applied;

(e) limitations on the right of the authority to restrict and regulate the use of any water project or part thereof in connection with which bonds are issued;

(f) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding or other bonds;

(g) the procedure, if any, by which the terms of any contract with

bondholders may be amended or abrogated, including the proportion of bondholders which must consent thereto, and the manner in which such consent may be given;

(h) the creation of special funds into which any revenues or other moneys may be deposited;

(i) the terms and provisions of any trust, deed, mortgage or indenture securing the bonds under which the bonds may be issued;

(j) vesting in a trustee or trustees such properties, rights, powers and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders pursuant to section eleven hundred ninety-nine-hhhh of this title or limiting the rights, duties and powers of such trustee;

(k) defining the acts or omissions to act which may constitute a default in the obligations and duties of the authority to the bondholders and providing for the rights and remedies of the bondholders in the event of such default, including as a matter of right the appointment of a receiver, provided, however, that such rights and remedies shall not be inconsistent with the general laws of the state and other provisions of this title;

(l) limitations on the power of the authority to sell or otherwise dispose of any water facility or any part thereof or other property;

(m) limitations on the amount of revenues and other moneys to be expended for operating, administrative or other expenses of the authority;

(n) the payment of the proceeds of bonds, revenues and other moneys to a trustee or other depository, and for the method of disbursement thereof with such safeguards and restrictions as the authority may determine; and

(o) any other matters of like or different character which in any way affect the security or protection of the bonds or the rights and remedies of bondholders.

6. In addition to the powers herein conferred upon the authority to secure its bonds, the authority shall have power in connection with the issuance of bonds to adopt resolutions and enter into trust indentures, agreements, or other instruments as the authority may deem necessary, convenient or desirable concerning the use or disposition of its revenues or other moneys or property, including the mortgaging of any property and the entrusting, pledging or creation of any other security interest in any such revenues, moneys, or property and the doing of any act, including refraining from doing any act, which the authority would have the right to do in the absence of such agreements. The authority shall have power to enter into amendments of any such agreements within the powers granted to the authority by this title and to perform such agreements. The provisions of any such agreements may be made a part of the contract with the holders of bonds of the authority.

7. Any provision of the uniform commercial code to the contrary

notwithstanding, any pledge of or other security interest in revenues, moneys, accounts, contract rights, general intangibles or other personal property made or created by the authority shall be valid, binding and perfected from the time when such pledge is made or other security interest attaches without any physical delivery of the collateral or further act, and the lien of any such pledge or other security interest shall be valid, binding and perfected against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether or not such parties have notice thereof. No instrument by which such a pledge or security interest is created nor any financing statement need be recorded or filed.

8. Whether or not the bonds of the authority are of such form and character as to be negotiable instruments under the terms of the uniform commercial code, the bonds are hereby made negotiable instruments within the meaning of and for all purposes of the uniform commercial code, subject only to the provisions of the bonds for registration.

9. Neither the members nor the officers of the authority nor any person executing bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

10. The authority, subject to such agreements with bondholders as then may exist, shall have power out of any moneys available therefor to purchase bonds of the authority in lieu of redemption, at a price not exceeding:

(a) if the bonds are then redeemable, the redemption price then applicable, plus accrued interest to the next interest payment date;

(b) if the bonds are not then redeemable, the redemption price then applicable on the first date after such purchase upon which the bonds become subject to redemption plus accrued interest to the next interest payment date. Bonds so purchased shall thereupon be cancelled. 11. The authority shall have power and is hereby authorized to issue negotiable bond anticipation notes in conformity with applicable provisions of the uniform commercial code and may renew the same from time to time but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of such original note.

S 1199-hhhh*. Remedies of bondholders. Subject to any resolution or resolutions adopted pursuant to paragraph (j) of subdivision five of section eleven hundred ninety-nine-gggg of this title:

1. In the event that the authority shall default in the payment of principal of or interest on any issue of the bonds after the same shall become due whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the authority shall fail or refuse to comply with the provisions of this title, or shall default in any agreement made with the holders of any issue of the bonds, the holders of twenty-five per centum in aggregate

principal amount of the bonds of such issue then outstanding, by instrument or instruments filed in the office of the clerk of the county and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such bonds for the purposes herein provided.

2. Such trustee may, and upon written request of the holders of twenty-five per centum in principal amount of such bonds outstanding shall, in its own name:

(a) by action or proceeding in accordance with the civil practice law and rules, enforce all rights of the bondholders including the right to require the authority to collect rents, rates, fees, and charges adequate to carry out any agreement as to, or pledge of, such rents, rates and charges, and to require the authority to carry out any other agreements with the holders of such bonds and to perform its duties under this title;

(b) bring an action or proceeding upon such bonds;

(c) by action or proceeding, require the authority to account as if it were the trustee of an express trust for the holders of such bonds;

(d) by action or proceeding, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds; and

(e) declare all such bonds due and payable, and if all defaults shall be made good, then with the consent of the holders of twenty-five per centum of the principal amount of such bonds then outstanding, annul such declaration and its consequences.

3. Such trustee shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incidental to the general representation of bondholders in the enforcement and protection of their rights.

4. The state supreme court shall have jurisdiction of any action or proceeding by the trustee on behalf of such bondholders. Venue of any such action or proceeding shall be laid in the county.

5. Any such trustee, whether or not the issue of bonds represented by such trustee has been declared due and payable, shall be entitled as of right to the appointment of a receiver of any part or parts of the properties the revenues of which are pledged for the security of the bonds of such issue, and, subject to any pledge or agreement with holders of such bonds, such receiver may enter and take possession of such part or parts of the properties and shall take possession of all moneys and other property derived from such part or parts of such properties and proceed with any construction thereon or the acquisition of any property, real or personal, in connection therewith which the authority is under obligation to do, and to operate, maintain and reconstruct such part or parts of the properties and collect and receive all revenues there after arising therefrom subject to any pledge thereof or agreement with bondholders relating thereto and perform the public

duties and carry out the agreements and obligations of the authority under the direction of the court. In any suit, action or proceeding by the trustee, the fees, counsel fees and expenses of the trustee and of the receiver, if any, shall constitute taxable disbursements and all costs and disbursements allowed by the court shall be a first charge on any revenues derived from the properties.

6. Before declaring the principal of bonds due and payable, the trustee shall first give thirty days` notice in writing to the authority.

S 1199-iiii*. State and municipalities not liable on authority bonds. Neither the state nor any municipality shall be liable on the bonds of the authority and such bonds shall not be a debt of the state or of any municipality, and such bonds shall contain on the face thereof a statement to such effect.

S 1199-jjjj*. Moneys of the authority. All monies of the authority from whatever source derived shall be paid to the treasurer of the authority and shall be deposited forthwith in a bank or banks designated by the authority. The monies in such accounts shall be paid out on check of the treasurer upon requisition by such person or persons as the authority may authorize to make such requisitions. All deposits of such monies shall be secured by obligations of the United States or of the state or of any municipality of a market value equal at all times to the amount on deposit and all banks and trust companies are authorized to give such security for such deposits. To the extent practicable, consistent with the cash requirements of the authority, all such monies shall be deposited in interest bearing accounts. The authority shall have power, notwithstanding the provisions of this section, to contract with the holders of any bonds as to the custody, collection, security, investment and payment of any monies of the authority or any monies held in trust or otherwise for the payment of bonds or any way to secure bonds, and carry out any such contract notwithstanding that such contract may be inconsistent with the provisions of this section. Monies held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of such monies may be secured in the same manner as monies of the authority and all banks and trust companies are authorized to give such security for such deposits. Any monies of the authority not required for immediate use or disbursement may, at the discretion of the authority, be invested in those obligations specified pursuant to the provision of section ninety-eight-a of the state finance law. Subject to the provisions of any contract with bond holders and with the approval of the state comptroller, the authority shall prescribe a system of accounts.

S 1199-kkkk*. Bonds legal investments for fiduciaries. The bonds of

the authority are hereby made securities in which all public officials and bodies of the state and all municipalities, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, investment companies and other persons carrying on a banking business, and administrators, guardians, executors, trustees and other fiduciaries and all other persons whatsoever, who are now or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds including capital in their control or belonging to them. The bonds are also hereby made securities which may be deposited with and may be received by all public officers and bodies of the state all municipalities for any purposes for which the deposit of bonds or other obligations of the state is now or hereafter may be authorized.

S 1199-llll*. Agreement with the state. The state does hereby pledge to and agree with the holders of any bonds issued by the authority pursuant to this title that the state will not alter or limit the rights hereby vested in the authority to purchase, construct, maintain, operate, repair, improve, increase, enlarge, extend, reconstruct, renovate, rehabilitate or dispose of any water or sewer project, or any part or parts thereof, for which bonds of the authority shall have been issued, to establish and collect rates, rents, fees and other charges referred to in this title and to fulfill the terms of any agreement made with or for the benefit of the holders of the bonds or with any public corporation or person with reference to such project or part thereof, or in any way impair the rights and remedies of the bondholders, until the bonds, together with the interest thereon, including interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state in any agreement with bondholders.

S 1199-mmmm*. Exemption from taxes, assessments and certain fees; payments in lieu of taxes. 1. It is hereby determined that the creation of the authority and the carrying out of its corporate purposes is in all respects for the benefit of the people of the county and the state and is a public purpose, and the authority shall be regarded as performing a governmental function in the exercise of the powers conferred upon it by this title and shall not be required to pay any taxes, special ad valorem levies or special assessments upon any real property owned by it or any filing, recording or transfer fees or taxes in relation to instruments filed, recorded or transferred by it or on its behalf provided, however, that any real property owned or acquired by the authority outside of the district shall be exempt from real

property taxes, ad valorem levies or special assessments only pursuant to and to the extent provided by an agreement with the governing body of the municipality in which such real property is located.

2. The authority may pay, or may enter into agreements with any municipality not located within the county to pay, a sum or sums annually or otherwise or to provide other considerations to such municipality with respect to real property owned by the authority located within such municipality and constituting a part of its water system.

3. Any bonds issued pursuant to this title together with the income therefrom shall be exempt from taxation except for transfer and estate taxes. The revenues, moneys and all other property and all activities of the authority shall be exempt from all taxes and governmental fees or charges, whether imposed by the state or any municipality, including without limitation real estate taxes, franchise taxes, sales taxes or other excise taxes.

4. The state hereby covenants with the purchasers and with all subsequent holders and transferees of bonds issued by the authority pursuant to this title, in consideration of the acceptance of and payment for the bonds, that the bonds of the authority issued pursuant to this title and the income therefrom shall be exempt from taxation as aforestated in subdivision three of this section, and that all revenues, moneys, and other property pledged to secure the payment of such bonds shall at all times be free from taxation as aforestated in such subdivision.

S 1199-nnnn*. Actions against the authority. 1. Except in an action for wrongful death, no action or special proceeding shall be prosecuted or maintained against the authority for personal injury or damage to real or personal property alleged to have been sustained by reason of the negligence or wrongful act of the authority or any member, officer, agent or employee thereof, unless:

(a) a notice of claim shall have been made and served upon the authority within the time limit prescribed by and in compliance with section fifty-e of the general municipal law;

(b) it shall appear by and as an allegation in the complaint or moving papers that at least thirty days have elapsed since the service of such notice and that adjustment or payment thereof has been neglected or refused; and

(c) the action or special proceeding shall be commenced within one year and ninety days after the happening of the event upon which the claim is based.

An action for wrongful death against the authority shall be commenced in accordance with the notice of claim and time limitation provisions of title eleven of article nine of this chapter.

2. Wherever a notice of claim is served upon the authority, it shall

have the right to demand an examination of the claimant relative to the occurrence and extent of the injuries or damages for which claim is made, in accordance with the provisions of section fifty-h of the general municipal law.

3. The authority may require any person presenting for settlement an account or claim for any cause whatever against the authority to be sworn before a member, counsel, or an attorney, officer or employee thereof designated for such purpose, concerning such account or claim and when so sworn, to answer orally as to any facts relative to such account or claim. The authority shall have power to settle or adjust all claims in favor of or against the authority.

4. Any action or proceeding to which the authority or the people of the state may be parties, in which any question arises as to the validity of this title, shall be preferred over all other civil causes of action or cases, except election causes of action or cases, in all courts of the state and shall be heard and determined in preference to all other civil business pending therein except election causes, irrespective of position on the calendar. The same preference shall be granted upon application of the authority or its counsel in any action or proceeding questioning the validity of this title in which the authority may be allowed to intervene. The venue of any such action or proceeding shall be laid in the supreme court of the county.

5. The rate of interest to be paid by the authority upon any judgment for which it is liable, other than a judgment against the authority on bonds, shall be the rate prescribed by section five thousand four of the civil practice law and rules. Interest on payments of principal or interest on any bonds in default shall accrue at the rate or rates set forth in such bonds from the due date thereof until paid or otherwise satisfied.

S 1199-pppp*. Construction and purchase contracts. The authority shall let contracts for construction or purchase of supplies, materials, or equipment pursuant to sections one hundred one and one hundred three of the general municipal law and shall be let in accordance with the provisions of state law pertaining to prevailing wages, labor standards, and working hours. Nothing in this section shall be construed to limit the power of the authority to do any construction directly by the officers, agents and employees of the authority.

S 1199-qqqq*. Code of ethics. 1. Definition. As used in this section the term "authority employee" shall mean any member, officer or employee of the authority.

2. Rule with respect to conflicts of interest. No authority employee 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 with the

proper discharge of his or her duties in the public interest.

3. Standards. (a) No authority employee should accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties.

(b) No authority employee should accept employment or engage in any business or professional activity which will require the employee to disclose confidential information which he or she has gained by reason of his or her official position or authority.

(c) No authority employee should disclose confidential information acquired by the employee in the course of his or her official duties nor use such information to further his or her personal interests.

(d) No authority employee should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others.

(e) No authority employee should engage in any transaction as representative or agent of the authority with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties.

(f) An authority employee should not by his or her conduct give reasonable basis for the impression that any person can improperly influence such employee or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.

(g) An authority employee should abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by the employee or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.

(h) An authority employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

(i) No authority employee employed on a full-time basis nor any firm or association of which such an employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such employee, should sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the authority in which such employee services or is employed.

(j) If any authority 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 or she should file with the secretary of state a written statement that he or she has such a financial interest in such activity which statement shall be open to public inspection.

4. Violations. In addition to any penalty contained in any other provision of law any such authority employee who shall knowingly and intentionally violate any of the provisions of this section may be fined, suspended or removed from office or employment.

S 1199-rrrr*. Equal employment opportunity. The authority shall ensure that all employees or applicants for employment are afforded equal employment opportunity without discrimination.

S 1199-ssss*. Audit and annual report. In conformity with the provisions of section five of article ten of the constitution, the accounts of the authority shall be subject to the supervision of the state comptroller and an annual audit shall be performed by an independent certified accountant. The authority shall annually submit to the board of supervisors, county treasurer, governor and the state comptroller and to the chairperson of the senate finance committee and the chairperson of the assembly ways and means committee a detailed report pursuant to the provisions of section two thousand eight hundred of this chapter, and a copy of such report shall be filed with the clerk of the board of supervisors and the county treasurer.

S 1199-tttt*. Environmental applications, proceedings, approvals and permits. Any application in relation to the purposes of or contemplated by this title heretofore filed, or any proceeding heretofore commenced, by the county or any agency thereof with the state department of environmental conservation, the department of transportation or any other state agency or instrumentality or with the United States environmental protection agency or any other federal agency or instrumentality shall inure to and for the benefit of the authority to the same extent and in the same manner as if the authority had been a party to such application or proceeding from its inception, and the authority shall be deemed a party thereto, to the extent not prohibited by any federal law. Any license, approval, permit or decision heretofore or hereafter issued or granted pursuant to or as a result of any such application or proceeding shall inure to the benefit of and be binding upon the authority and shall be assigned and transferred by the county or any agency thereof to the authority, unless such assignment and transfer is prohibited by federal law.

S 1199-uuuu*. Limited liability. Neither the members of the authority, nor any municipality, officer or employee acting in its behalf, while acting within the scope of their authority, shall be subject to any personal liability resulting from the construction, maintenance or operation of any of the properties of the authority or from carrying out any of the powers expressly given in this title; provided, however, that this section shall not be held to apply to any independent contractor.

S 1199-vvvv*. Governmental capacity of the authority and municipalities. The authority, the county and the other municipalities, in carrying out their respective powers and duties under this title, shall be deemed to be acting in a governmental capacity and in the performance of an essential governmental function.

S 1199-wwww*. Separability clause. If any section, clause or provision in this title shall be held by a competent court to be unconstitutional or ineffective in whole or in part, to the extent that it is not unconstitutional or ineffective, it shall be valid and effective, and no other section, clause or provision shall on account thereof be deemed invalid or ineffective.

S 1199-xxxx*. Effect of inconsistent provisions. In so far as the provisions of this title are inconsistent with the provisions of any other act, general or special, or of any charter, local law, ordinance or resolution of any municipality, the provisions of this title shall be controlling. Nothing contained in this section shall be held to supplement or otherwise expand the powers or duties of the authority otherwise set forth in this title. Except as specifically provided for in this title, in the performance of any of its functions, powers and duties, the authority shall be subject to all applicable general or special laws of the state, the county charter, and any local law, ordinance or resolution of the county.

* § 1199-yyyy. Charges by the authority; method of collection. 1. The authority may fix and collect, on any equitable basis, rates, fees and other charges for the use of its water or sewer facilities or of the services or commodities provided by the authority. Such rates, rentals, fees and other charges may be fixed and collected from any person or corporation to which such facilities, services or commodities are provided or made available from the authority. Such rates, rentals, fees and other charges may be the same or different for each classification of user or service recipient and may, by way of example, reflect the source and composition of the sewage or location of services or system costs and expenses. The authority shall not establish, fix or revise any classification or user or rate, rental or fee or other charge unless and until the authority has held a public hearing at which interested persons shall have an opportunity to be heard concerning the same. Notice of any such public hearing shall be published at least ten days before the date set therefore, in at least one newspaper of general circulation in the boundaries of the authority. Such notice shall set forth the date, time and place of such hearing and shall include a brief description of matters to be considered at such meeting. A copy of such notice shall be available for inspection by the public. At any such hearing, any interested persons shall have an opportunity to be heard concerning the matters under consideration. Any decision by the authority at such public hearing or relating to the matters under consideration at such hearing shall be in writing and made available in the office of the authority for public inspection during regular

business hours.

2. All rates, fees and other charges for the use of the facilities or services or commodities provided or made available by the authority and billed directly by the authority to the user or service recipient pursuant to a classification of users or service recipients adopted by the authority as herein provided shall be lien upon the real property upon which, or in connection with which, services are provided or are made available, as and from the first date fixed for a payment of such rates, rentals, fees and other charges. Any such lien shall take precedent over all other liens, or encumbrances, except taxes or assessments. The treasurer of the authority shall prepare and transmit to the board of supervisors of the county, on or before the first day of November in each year, a list of those properties using such facilities or for which such services or commodities were provided or made available and from which the payment of rates, rentals, fees and other charges are in arrears for a period of thirty days or more after the last day fixed for payment of such rates, rentals, fees and other charges without penalty. The list shall contain a brief description of such properties, the names of the persons or corporations liable to pay for the same, and the amount chargeable to each, including penalties and interest, as applicable, computed to December thirty-first of that year. The board of supervisors shall levy such sums against the properties liable and shall state the amount thereof in a separate column in the annual tax rolls of the county under the heading "water charge" or "sewer disposal charge," as applicable. Such amounts, excluding penalties and interest when collected by the county collector or receiver of taxes, shall be paid over to the treasurer of the authority. Penalties and interest shall be retained by the collector which shall become a part of the general funds of the county. All of the provisions of the tax law of the state governing enforcement and collection of unpaid taxes or assessments for special improvements not inconsistent herewith shall apply to the collection of such unpaid rates, rentals, fees and other charges.

* NB There are 2 § 1199-yyyy's

[PBA Article 5](#)

PBA - Public Authorities

[Title 8-G*](#) - LIVINGSTON COUNTY WATER AND SEWER AUTHORITY

[1199-AAAA*2](#) - Definitions.

[1199-BBBB*2](#) - Livingston county water and sewer authority district.

[1199-CCCC*2](#) - Livingston county water and sewer authority.

[1199-DDDD*2](#) - Powers of the authority.

[1199-EEEE*2](#) - Advances on behalf of the authority; acquisition of property by county for authority.

[1199-FFFF*2](#) - Transfer of officers and employees.

[1199-GGGG*2](#) - Bonds of the authority.

[1199-HHHH*2](#) - Remedies of bondholders.

[1199-IIII*2](#) - State and municipalities not liable on authority bonds.

[1199-JJJJ*2](#) - Moneys of the authority.

[1199-KKKK*2](#) - Bonds legal investments for fiduciaries.

[1199-LLLL*2](#) - Agreement with the state.

[1199-MMMM*2](#) - Exemption from taxes, assessments and certain fees; payments in lieu of taxes.

[1199-NNNN*2](#) - Actions against the authority.

[1199-PPPP](#) - Construction and purchase contracts.

[1199-QQQQ*2](#) - Code of ethics.

[1199-RRRR*2](#) - Equal employment opportunity.

[1199-SSSS*2](#) - Audit and annual report.

[1199-TTTT*2](#) - Environmental applications, proceedings, approvals and permits.

[1199-UUUU*2](#) - Limited liability.

[1199-VVVV*2](#) - Governmental capacity of the authority and municipalities.

[1199-WWWW*2](#) - Separability clause.

[1199-XXXX*2](#) - Effect of inconsistent provisions.

[1199-YYYY*2](#) - Charges by the authority; method of collection.

* § 1199-aaaa. Definitions. As used or referred to in this title, unless a different meaning clearly appears from the context:

1. "Authority" shall mean the corporation created by section one thousand one hundred ninety-nine-cccc of this title.

2. "Board" shall mean the members of the authority constituting and acting as the governing board of the authority.

3. "Board of supervisors" shall mean the board of supervisors of Livingston county.

4. "Bonds" shall mean the bonds, notes or other evidences of indebtedness issued by the authority pursuant to this title, and the provisions of this title relating to bonds and bondholders shall apply with equal force and effect to notes and noteholders, respectively, unless the context otherwise clearly requires.

5. "Civil service commission" shall mean the personnel officer of the county of Livingston or any other person or entity acting as the civil service commission of the county of Livingston.

6. "Comptroller" shall mean the comptroller of the state of New York.

7. "Construction" shall mean the negotiation, acquisition, erection, building, alteration, improvement, testing, increase, enlargement, extension, reconstruction, interconnection, renovation or rehabilitation of a water, sewerage or water and sewerage facility, as the case may be; the inspection and supervision thereof; and the engineering, architectural, legal, appraisal, fiscal, economic and environmental investigations, services and studies, surveys, designs, plans, working drawings, specifications, procedures and other actions preliminary or incidental thereto.

8. "Costs", as applied to any project, shall include the cost of construction, the cost of the acquisition of all property, including both real, personal and mixed, the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any land to which such buildings or structures may be moved or relocated, the cost of all systems, facilities, machinery, apparatus and equipment, financing charges, interest prior to, during and after construction to the extent not paid or provided for from revenues or other sources, the cost of engineering and architectural surveys, plans and specifications, the cost of consultant and legal services, the cost of lease guarantee or bond insurance or other credit enhancement associated with bonds of the authority (including notes) and the cost of other expenses necessary or incidental to the construction of such project and the financing of the construction thereof, including the amount authorized in the resolution of the authority providing for the issuance of bonds to be paid into any reserve or other special fund from the proceeds of such bonds and the financing of the placing of any project in operation, including the reimbursement to the county, or any municipality, state agency, the state, the United states government, or any other person for expenditures made by them that would be costs of the project hereunder.

9. "County" shall mean the county of Livingston.

10. "Distribution system" shall mean the water facility or facilities employed to deliver water from a transmission facility, or where there is no transmission facility, from a supply facility, to the ultimate consumers of water.

11. "District" shall mean the Livingston county water and sewer authority district created by section eleven hundred ninety-nine-bbbb of this title.

12. "Governing body" shall mean:

(a) In the case of a city, county, town or village or district corporation the finance board as such term is defined in the local finance law;

(b) In the case of a public benefit corporation, the members thereof.

13. "Members" shall mean the members of the board.

14. "Municipality" shall mean any county, city, town, village, improvement district under the county or town law, any other such instrumentality, including any agency or public corporation of the state, or any of the foregoing or any combination thereof.

15. "Person" shall mean any natural person, partnership, association, joint venture or corporation, exclusive of a public corporation as defined pursuant to article two-A of the general construction law.

16. "Real property" shall mean lands, structures, franchises, rights and interests in land, waters, lands underwater, groundwater, riparian rights and air rights and any and all things and rights included within said term "real property" and includes not only fee simple absolute, but also any and all lesser interests including, but not limited to, easements, rights-of-way, uses, leases, licenses and all other incorporeal hereditaments and every estate, interest or right, legal or equitable, including terms for years and liens thereon by way of judgments, mortgages or otherwise.

17. "State sanitary code" shall mean regulations adopted pursuant to section two hundred twenty-five of the public health law.

18. "Sewage" means the water-carried human or animal wastes from residences, buildings, industrial establishments or other places, together with such groundwater infiltration and surface water as may be present. The admixture with sewage of industrial or other waste also shall be considered "sewage" within the meaning of this title.

19. "Sewerage facility" or "sewerage facilities" means any plants, structures and other real and personal property acquired, rehabilitated or constructed or planned for the purpose of collecting, conveying, pumping, treating, neutralizing, storing and disposing of sewage, including but not limited to main, trunk, intercepting, connecting, lateral, outlet or other sewers, outfalls, pumping stations, treatment and disposal plants, ground water recharge basins, back-flow prevention devices, sludge dewatering or disposal equipment and facilities, clarifiers, filters, phosphorus removal equipment and other plants, works, structures, equipment, vehicles, conveyances, contract rights, franchises, approaches, connections, permits, real or personal property or rights therein and appurtenances thereto necessary or useful and convenient for the collection, conveyance, pumping, treatment, neutralizing, storing and disposing of sewage.

20. "State" shall mean the state of New York.

21. "State agency" shall mean any state office, public benefit corporation, department, board, commission, bureau or division, or other agency or instrumentality of the state.

22. "Supply facility" shall mean a water facility employed to make groundwater or surface water available for delivery into a transmission facility or distribution system.

23. "System revenues" shall mean all rates, rents, fees, charges, payments and other income and receipts derived by the authority including, without limiting the generality of the foregoing, investment proceeds and proceeds of insurance, condemnation, sales or other dispositions of assets, together with all federal, state or municipal aid as well as any other income derived from the operation of the water facility of the authority.

24. "Transmission facility" shall mean a water facility used to carry water from a supply facility to a distribution system.

25. "Treasurer" shall mean the treasurer of the authority.

26. "Water facility" or "water facilities" shall mean any plants, structures or other real and personal property acquired, rehabilitated or constructed or planned for the purpose of accumulating, supplying, transmitting, distributing or treating water, including but not limited to surface or groundwater reservoirs, basins, dams, canals, aqueducts, standpipes, conduits, pipelines, mains, pumping stations, pumps, water distribution systems, compensating reservoirs, intake stations, waterworks or sources of water supply, wells, purification or filtration plants or other treatment plants and works, approaches, connections, water meters, rights of flowage or diversion and other plants, structures, equipment, vehicles, towers, conveyances, real or personal property or rights therein and appurtenances thereto necessary or useful and convenient for the accumulation, supply, transmission, treatment or distribution of water.

27. "Water project" shall mean any sewerage facility, water facility or water and sewerage facility, as the case may be, including the planning, development, financing or construction thereof.

28. "Watershed rules" shall mean the rules and regulations made by the department of health pursuant to section eleven hundred of the public health law.

* NB There are 2 § 1199-aaaa's

* § 1199-bbbb. Livingston county water and sewer authority district. There is hereby defined and established a district to be known as the "Livingston county water and sewer authority district" which shall embrace all of the territory located within the county of Livingston.

* NB There are 2 § 1199-bbbb's

* § 1199-cccc. Livingston county water and sewer authority. 1. A public corporation known as the "Livingston county water and sewer authority" is hereby created for the public purposes and charged with the duties and having the powers provided in this title. The authority shall be a corporate governmental agency constituting a public benefit corporation and shall be a "public district" for the purposes of section eighty-nine-1 of the public service law. The authority shall be governed by a board consisting of seven members, who shall be residents of the county and be appointed by resolution of the board of supervisors. The first members appointed shall be appointed for the following terms: two for a term ending on December thirty-first of the year following the year in which this title shall have become law; two for a term ending on December thirty-first of the second year following the year in which this title shall have become law; and three for a term ending on December thirty-first of the third year following the year in which this title shall have become law. Subsequent appointment of members shall be made in the same manner and for terms of three years ending in each case on December thirty-first of the last year of such term. All members shall continue to hold office until their successors are appointed and have qualified. Vacancies shall be filled in the manner provided for original appointment. Vacancies occurring otherwise than by expiration of terms of office, shall be filled by appointment for the unexpired terms. Members may be removed from office for the same reasons and in

the same manner as may be provided by law for the removal of officers of the county. In addition, members may be removed from office by the board of supervisors for inefficiency, neglect of duty or misconduct in office, after the board of supervisors has given such member a copy of the charges against him and opportunity to be heard in person or by counsel in his defense, upon not less than ten days notice. If a member fails to attend three consecutive regular meetings of the authority, unless such absence is for good cause and is excused by the chairperson of the authority or other presiding officers, or in the case of the chairperson of the authority, by the chairman of the board of supervisors, the office may be deemed vacant for purposes of the nomination and appointment of a successor. The officers of the authority shall receive from the authority such salary, if any, as shall be determined from time to time by the board of supervisors. In addition, members and officers shall be entitled to reimbursement of their actual and necessary expenses, including travel expenses, incurred in the discharge of their duties.

2. The powers of the authority shall be vested in and shall be exercised by the board at a meeting duly called and held where a quorum of four members is present. No action shall be taken by the authority except pursuant to the favorable vote of at least four members. The board may delegate to one or more of its members, or to one or more of the officers, agents or employees of the authority, such powers and duties as it may deem proper.

3. The officers of the authority shall consist of a chairperson, vice chairperson, and treasurer who shall be members of the board and a secretary who need not be a member of the board. The officers of the authority shall be appointed by the board and shall serve in such capacities at the pleasure of the board. In addition, the board may appoint and at its pleasure remove such additional officers and employees as it may determine necessary for the performance of the powers and duties of the authority and fix and determine the qualifications, duties and compensation of such additional officers and employees, subject to the provisions of the civil service law of the state and such rules as the civil service commission may adopt and make applicable to the authority. The authority may also from time to time contract for expert professional services. The treasurer shall execute a bond, conditioned upon the faithful performance of the duties of his or her office, the amount and sufficiency of which shall be approved by the board, and the premium therefor shall be paid by the authority.

4. Notwithstanding any inconsistent provision of any general, special or local law, ordinance, resolution or charter, no officer, member or employee of the state, any municipality, or any public benefit corporation, shall forfeit his or her office or employment by reason of his or her acceptance of appointment as a member, officer, agent or employee of the authority, nor shall service as such member, officer, agent or employee be deemed incompatible or in conflict with such office, membership or employment, and one or more members of the board of supervisors may be appointed to serve as a member of the authority.

5. (a) The chairman of the board of supervisors shall file within one year after the effective date of this title, in the office of the secretary of state, a certificate signed by the chairman of the board of supervisors setting forth: (i) the name of the authority; (ii) the names of the initial members of the board and their terms of office; and (iii) the effective date of this title. If such certificate is not filed with the secretary of state on or before such date, then the corporate existence of the authority shall thereupon terminate and it shall

thereupon be deemed to be and shall be dissolved.

(b) Except as provided in paragraph (a) of this subdivision, the authority and its corporate existence shall continue until terminated by law, provided, however, that no such law shall take effect so long as the authority shall have bonds or other obligations outstanding unless adequate provision has been made for the payment or satisfaction thereof. Upon termination of the existence of the authority, all of the rights and properties of the authority then remaining shall pass to and vest in the county.

6. Neither the public service commission nor any other board or commission of like character, shall have jurisdiction over the authority in the management and control of its properties or operations of any power over the regulation of rates fixed or charges collected by the authority.

7. It is hereby determined and declared that the authority and the carrying out of its powers, purposes and duties are in all respects for the benefit of the people of the county and the state, for the improvement of their health, welfare and prosperity and that such purposes are public purposes and that the authority is and will be performing an essential governmental function in the exercise of the powers conferred upon it by this title.

8. Nothing in this title shall be construed to obligate the state in any way in connection with the operations or obligations of the authority.

* NB There are 2 § 1199-cccc's

* § 1199-dddd. Powers of the authority. Except as otherwise limited by this title, the authority shall have the power:

1. To sue and be sued;
2. To have a seal and alter the same at pleasure;
3. To borrow money and issue negotiable notes, bonds, or other obligations and to provide for the rights of the holders thereof;
4. To enter into contracts and execute all instruments necessary or convenient or desirable for the purposes of the authority to carry out any powers expressly given it in this title;
5. To acquire, by purchase, gift, grant, transfer, contract or lease or by condemnation pursuant to the eminent domain procedure law within the district, lease as lessee, hold and use and to sell, lease as lessor, transfer or otherwise dispose of, any real or personal property or any interest therein, within or without the district, as the authority may deem necessary, convenient or desirable to carry out the purpose of this title and to pay the costs thereof; provided, however, that the authority may not condemn real property of a municipality without the consent of the governing body of such municipality;
6. To purchase or refuse to purchase in the name of the authority, any water or sewerage facility, including plants, works, instrumentalities or parts thereof and appurtenances thereto, lands, easements, rights in land and water rights, rights-of-way, contract rights, franchises, permits, approaches, connections, dams, wells, pumps, reservoirs, water or sewer mains and pipe lines, pumping stations, treatment facilities, meters, equipment and inventory, or any other property incidental to and included in such system or part thereof, and any improvements, extensions and betterments, situated wholly within the district and to pay the costs thereof; provided, however that prior to the acquisition of any existing water or sewer district, the authority shall discuss and

consider the status of current employees of the water or sewer district; and further provided, however, that the authority shall have the power to purchase any source of supply, supply facility, water supply system, or transmission facility or any part thereof situated wholly or partly without the territorial limits of the district, provided same shall be necessary in order to supply water within the district; and in connection with the purchase of such properties the authority may assume any obligations of the owner of such properties and, to the extent required by the terms of any indentures or other instruments under which such obligations were issued, the authority may assume and agree to perform covenants and observe the restrictions contained in such instruments; and furthermore the owner of any properties, which the authority is authorized to acquire, is hereby authorized to sell or otherwise transfer the same to the authority, whereupon the authority shall become charged with the performance of all public duties with respect to such properties with which such owner was charged and such owner shall become discharged from the performance thereof, and as a means of so acquiring for such purpose, the authority may purchase all of the stock or any existing privately owned water corporation or company and in the case of a sale or other transfer of properties of a public utility corporation pursuant to this provision, upon the purchase of the stock of such corporation or company it shall be lawful to dissolve such corporation within a reasonable time;

7. To construct, improve, maintain, develop, expand or rehabilitate water or sewerage facilities and to pay the costs thereof;

8. To operate and manage and to contract for the operation and management of facilities of the authority;

9. To enter into contracts, and carry out the terms thereof, for the wholesale provision of water produced by supply facilities constructed, owned or operated by the authority, to municipalities and private water companies and to carry out the terms thereof, for the transmission of water from new or existing supply facilities;

10. To enter into contracts with municipalities or other persons for the collection, treatment and disposal of sewage;

11. To apply to the appropriate agencies and officials of the federal, state and local governments for such licenses, permits or approvals of its plans or projects as it may deem necessary or advisable, and upon such terms and conditions as it may deem appropriate, to accept, in its discretion, such licenses, permits or approvals as may be tendered to it by such agencies and officials;

12. To take all necessary and reasonable actions within the district to conserve, preserve and protect the water supply to the district, including the making of plans and studies, the adoption of watershed rules and regulations, the enforcing of compliance with all current and future rules and regulations of the state sanitary code with regard to water supply and usage, the requiring of cross-connection controls, the providing of educational material and programs to the public, and the cooperating with water suppliers outside the district to conserve, preserve and protect the entire water reserve as it is affected within and outside the authority's supply area;

13. To appoint such officers and employees as are required for the performance of its duties, to fix and determine their qualifications, duties and compensation, and to retain or employ counsel, auditors, engineers, and private consultants on a contract basis or otherwise for rendering professional or technical services and advice;

14. With the consent of the governing body of a municipality, to use officers and employees of such municipality and to pay a proper

proportion of the compensation or costs for the services for such officers or employees;

15. To make plans and studies necessary, convenient or desirable for the effectuation of the purposes and powers of the authority and to prepare recommendations in regard thereto;

16. To prepare a water supply emergency plan which may include, but not be limited to, the following:

(a) establishment of criteria and procedures to determine critical water levels or safe yield of system;

(b) identification of existing and future sources of water under normal conditions and emergency conditions;

(c) system capacity and ability to meet peak demand and fire flows concurrently;

(d) storage capacities;

(e) current condition of present interconnections and identification of additional interconnections to meet a water supply emergency;

(f) specific action plan to be followed during a water supply emergency including a phased implementation of the plan;

(g) general water conservation programs and water use reduction strategies for water supply users;

(h) prioritization of water users;

(i) identification and availability of emergency equipment needed during a water supply emergency; and

(j) public notification program coordinated with the phased implementation schedule;

Such plan shall not be adopted until a public hearing on such plan shall have been held, upon not less than fourteen days' notice thereof to each customer, either by mail or by publication once in a newspaper having general circulation within the district; every five years, such plan shall be reviewed and revised if necessary after a public hearing, with notice to each customer as aforesaid;

17. To enter upon such lands, waters, or premises as in the judgment of the authority shall be necessary for the purpose of making surveys, soundings, borings and examinations to accomplish any purpose authorized by this title, the authority being liable only for actual damage done;

18. To apply for and to accept any gifts or grants or loans of funds or property or financial or other aid in any form from the federal government or any agency or instrumentality thereof, or from the state or any agency or instrumentality thereof, or from any other source, for any or all of the purposes specified in this title, and to comply, subject to the provisions of this title, with the terms and conditions thereof;

19. To supply and sell water for domestic, commercial and public purposes at retail to individual consumers within the district or to collect, treat or discharge sewage produced within the district;

20. To purchase water in bulk from any person, private or public benefit corporation or municipality when necessary or convenient for the operation of such water system;

21. To produce, develop, distribute and sell water or sewerage services within or without the territorial limits of the district; and to purchase water from any municipality, town water district, person, association or corporation, provided, however, that water or sewerage services may be sold at retail to individual consumers only within the district and further provided that in exercising the powers granted by this title, the authority shall not sell water in any area which is served by a water system or sewerage services in any area which is served by a sewerage system owned or operated by a municipality or

special improvement district unless the governing body of such municipality or district shall adopt a resolution requesting the authority to sell water or sewerage services, as the case may be, in such served areas;

22. To make bylaws for the management and regulation of its affairs and rules and regulations for the conservation, preservation and protection of the authority's water supply and, subject to agreements with bondholders, rules for the sale of water or collection of sewage and the collection of rents and charges therefor. A copy of such rules, regulations and bylaws and any rules and regulations adopted pursuant to subdivision eleven of this section, and all amendments thereto, duly certified by the secretary of the authority shall be filed in the office of the county clerk of the county. In addition, the board of supervisors by local law shall have power to prescribe that violation of specific bylaws, rules, or rules and regulations of the authority, published once in a newspaper having general circulation within the county, shall be punishable by fine, not exceeding fifty dollars per violation;

23. To fix rates and collect charges for the use of the facilities of, or services rendered by, or any commodities furnished by the authority such as to provide revenues sufficient at all times to pay, as the same shall become due, the principal of and interest on the bonds, notes, or other obligations of the authority together with the maintenance of proper reserves therefor, in addition to paying as the same shall become due, the expense of operating and maintaining the properties of the authority together with proper maintenance reserves, capital reserves, repair reserves, tax stabilization reserves and other contingency reserves, and all other obligations and indebtedness of the authority; provided however, no such rates or charges shall be changed until a public hearing on such changes shall have been held upon not less than fourteen days notice thereof to each customer, either by mail or by publication once in a newspaper having general circulation within the bounds of the authority;

24. To enter into cooperative agreements with other authorities, municipalities, counties, cities, towns, villages, water districts, utility companies, individuals, firms or corporations, within or without the territorial limits of the district for the interconnection of facilities, the provision, exchange or interchange of services and commodities, the conservation, preservation and protection of the authority's water reserve as it is affected within and outside the authority's supply area, and, within the territorial limits of the district, to enter into a contract for the construction, operation and maintenance of a water supply and distribution system by the authority for any municipality having power to construct and develop a water supply and distribution system or sewerage system or facilities, upon such terms and conditions as shall be determined to be reasonable including, but not limited to, the reimbursement of all costs of such construction, or for any other lawful purposes necessary or desirable to effect the purposes of this title, including the investment of funds;

25. To provide for the discontinuance or disconnection of the supply of water or sewerage service, or both, as the case may be, for nonpayment of fees, rates, rents or other charges therefor imposed by the authority, provided such discontinuance or disconnection of any water or sewerage service, or both, as the case may be, shall not be carried out except in the manner and upon the notice as is required of a waterworks corporation pursuant to subdivisions three-a, three-b and three-c of section eighty-nine-b and section one hundred sixteen of the public service law;

26. To act as a county water agency in accordance with the provisions of article five-A of the county law;

27. For the purposes of article fifteen-A of the executive law only, the authority shall be deemed a state agency as that term is defined in such article and its contracts for procurement, design, construction, services and materials shall be deemed state contracts within the meaning of that term as set forth in such article; and

28. To do all things necessary, convenient or desirable to carry out its purposes and for all exercise of the powers granted in this title.

* NB There are 2 § 1199-dddd's

* § 1199-eeee. Advances on behalf of the authority; acquisition of property by county for authority. 1. In addition to any powers granted to it by law, the county from time to time may appropriate sums of money, after approval by the board of supervisors, to or on behalf of the authority to defray project costs or any other costs and expenses of the authority. Subject to the rights of bondholders, the county at the time of the appropriation shall determine if the moneys so appropriated shall be subject to repayment by the authority to the county and, in such event, the manner and time or times for such repayment.

2. The county or any other municipality may give, grant, sell, convey, loan, license the use of or lease to the authority any property or facility which is useful to the authority in order to carry out its powers under this title. Any such transfer of property shall be upon such terms and conditions, subject to the rights of the holders of any bonds, as the authority and the county or other municipality may agree.

3. The county may acquire by purchase or by exercise of the power of eminent domain real property in the name of the county for any corporate purpose of the authority.

4. Notwithstanding the provisions of any other law, general, special or local to the contrary, real property acquired by the authority or the county from the state may be used for any corporate purpose of the authority.

* NB There are 2 § 1199-eeee's

* § 1199-ffff. Transfer of officers and employees. 1. In accordance with the provisions of section seventy of the civil service law, any officer or employee of the county, may, at the request of the authority and with the consent of the board of supervisors, be transferred to the authority and shall be eligible for such transfer and appointment, without further examination, to applicable offices, positions and employment under the authority. Any such officers or employees so transferred to the authority pursuant to this section, who are members of or benefit under any existing pension or retirement fund or system, shall continue to have all rights, privileges, obligations and status with respect to such fund or system as are now prescribed by law, but during the period of their employment by the authority, all contributions to such funds or systems to be paid by the employer on account of such officers or employees shall be paid by the authority.

2. A transferred employee shall remain in the same collective bargaining unit as was the case prior to his or her transfer; successor employees to the positions held by such transferred employees shall, consistent with the provisions of article fourteen of the civil service

law, be included in the same unit as their predecessors. Employees serving in positions in newly created titles shall be assigned to the same collective bargaining unit as they would have been assigned to such unit were such titles created prior to the establishment of the authority. Nothing contained in this title shall be construed (a) to diminish the rights of employees pursuant to a collective bargaining agreement or (b) to affect existing law with respect to an application to the public employment relations board seeking a designation by the board that certain persons are managerial or confidential.

* NB There are 2 § 1199-ffff's

* § 1199-gggg. Bonds of the authority. 1. The authority shall have the power and is hereby authorized from time to time to issue bonds, notes or other obligations to pay the cost of any project or for any other corporate purpose, including the establishment of reserves to secure the bonds, the payment of principal of, premium, if any, and interest on the bonds and the payment of incidental expenses in connection therewith. The aggregate principal amount of such bonds, notes or other obligations shall not exceed forty-two million dollars (\$42,000,000), excluding bonds, notes or other obligations issued to refund or otherwise repay bonds, notes or other obligations theretofore issued for such purposes provided, however, that upon any such refunding or repayment the total aggregate principal amount of outstanding bonds, notes or other obligations may be greater than forty-two million dollars (\$42,000,000) only if the present value of the aggregate debt service of the refunding or repayment bonds, notes or other obligations to be issued shall not exceed the present value of the aggregate debt service of the bonds, notes or other obligations so to be refunded or repaid. For purposes hereof, the present values of the aggregate debt service of the refunding or repayment bonds, notes or other obligations and of the aggregate debt service of the bonds, notes or other obligations and of the aggregate debt service of the bonds, notes or other obligations so refunded or repaid, shall be calculated by utilizing the effective interest rate of the refunding or repayment bonds, notes or other obligations, which shall be that rate arrived at by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the refunding or repayment bonds, notes or other obligations from the payment dates thereof to the date of issue of the refunding or repayment bonds, notes or other obligations and to the price bid including estimated accrued interest or proceeds received by the authority including estimated accrued interest from the sale thereof. The authority shall have the power and is hereby authorized to enter into such agreements and perform such acts as may be required under any applicable federal legislation to secure a federal guarantee of any bonds.

2. The authority shall have power from time to time to renew bonds or to issue renewal bonds for such purpose, to issue bonds to pay bonds, and, whenever it deems refunding expedient, to refund any bond by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any other corporate purpose of the authority. Bonds (other than notes or other evidence of indebtedness) issued for refunding purposes, which have a final maturity date longer than the maturity of the bonds being refunded, shall be approved by a resolution of the board of supervisors adopted by a majority vote and approved by the county

treasurer. Bonds issued for refunding purposes shall be sold and the proceeds applied to the purchase, redemption or payment of the bonds or notes to be refunded.

3. Bonds issued by the authority may be general obligations secured by the faith and credit of the authority or may be special obligations payable solely out of particular revenues or other moneys as may be designated in the proceedings of the authority under which the bonds shall be authorized to be issued, subject as to priority only to any agreements with the holders of outstanding bonds pledging any particular property, revenues or moneys. The authority may also enter into loan agreements, lines of credit and other security agreements and obtain for or on its behalf letters of credit, insurance, guarantees or other credit enhancements to the extent not or hereafter available, in each case for securing its bonds or to provided direct payment of any costs which the authority is authorized to pay.

4. Bonds shall be authorized by resolution of the authority, be in such denominations and bear such date or dates and mature at such time or times, as such resolution may provide, provided that bonds and renewals thereof shall mature within forty years from the date of original issuance of any such bonds.

Bonds shall be subject to such terms of redemption, bear interest at such rate or rates, be payable at such times, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, and be subject to such terms and conditions as such resolution may provide. Notwithstanding any other provision of law, the bonds of the authority issued pursuant to this section shall be sold to the bidder offering the lowest true interest cost, taking into consideration any premium or discount not less than four nor more than fifteen days, Sundays excepted, after a notice of such sale has been published at least once in a newspaper of general circulation in the area served by the authority, which shall state the terms of the sale. The terms of the sale may not change unless notice of such change is published in such newspaper at least one day prior to the date of the sale as set forth in the original notice of sale. Advertisements shall contain a provision to the effect that the authority, in its discretion, may reject any or all bids made in pursuance of such advertisements, and in the event of such rejection, the authority is authorized to negotiate a private or public sale or readvertise for bids in the form and manner above described as many times as, in its judgment, may be necessary to effect satisfactory sale.

Notwithstanding the provisions of the preceding paragraph, whenever in the judgment of the authority the interests of the authority will be served thereby, the members of the authority, on the written recommendation of the chairperson, may authorize the sale of such bonds at private or public sale on a negotiated basis or on either a competitive or negotiated basis. The authority shall set guidelines governing the terms and conditions of any such private or public sales. The private or public bond sale guidelines set by the authority shall include, but not be limited to, a requirement that where the interests of the authority will be served by a private or public sale of bonds, the authority shall select underwriters for each private or public bond sale conducted pursuant to a request for proposal process and consideration of proposals from qualified underwriters taking into account, among other things, qualifications of underwriters as to experience, their ability to structure and sell authority bond issues, anticipated costs to the authority, the prior experience of the

authority with the firm, if any, the capitalization of such firms, participation of qualified minority and women-owned business enterprise firms in such private or public sales of bonds of the authority and the experience and ability of firms under consideration to work with minority and women-owned business enterprises so as to promote and assist participation by such enterprises.

The authority shall have the power from time to time to amend such private bond sale guidelines in accordance with the provisions of this subdivision.

No private or public bond sale on a negotiated basis shall be conducted by the authority without prior approval of the state comptroller. The authority shall annually prepare and approve a bond sale report which shall include the private or public bond sale guidelines as specified in this subdivision, amendments to such guidelines since the last private or public bond sale report, an explanation of the bond sale guidelines and amendments, and the results of any sale of bonds conducted during the fiscal year. Such bond sale report may be a part of any other annual report that the authority is required to make.

The authority shall annually submit its bond sale report to the state comptroller and copies thereof to the senate finance committee and the assembly ways and means committee.

The authority shall make available to the public copies of its bond sale report upon reasonable request thereof.

Nothing contained in this subdivision shall 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, the provisions of this subdivision.

5. Any resolution or resolutions authorizing bonds or any issue of bonds by the authority may contain provisions which may be part of the contract with the holders of the bonds thereby authorized as to:

(a) pledging all or part of its revenues, together with any other moneys, or property of the authority, to secure the payment of the bonds or any costs of issuance thereof, including but not limited to any contracts, earnings or proceeds of any grant to the authority received from any private or public source, subject to such agreements with bondholders as may then exist;

(b) the rates, rentals, fees and other charges to be fixed and collected by the authority and the amounts to be raised in each year thereby, and the use and disposition of revenues;

(c) the setting aside of reserves and the creation of sinking funds and the regulation and disposition thereof;

(d) limitations on the purpose to which the proceeds from the sale of bonds may be applied;

(e) limitations on the right of the authority to restrict and regulate the use of any water project or part thereof in connection with which bonds are issued;

(f) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding or other bonds;

(g) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, including the proportion of bondholders which must consent thereto, and the manner in which such consent may be given;

(h) the creation of special funds into which any revenues or other moneys may be deposited;

(i) the terms and provisions of any trust, deed, mortgage or indenture

securing the bonds under which the bonds may be issued;

(j) vesting in a trustee or trustees such properties, rights, powers and duties in trust as the authority may determine, which may include any or all of the rights, powers and duties of the trustee appointed by the bondholders pursuant to section eleven hundred ninety-nine-hhhh of this title or limiting the rights, duties and powers of such trustee;

(k) defining the acts or omissions to act which may constitute a default in the obligations and duties of the authority to the bondholders and providing for the rights and remedies of the bondholders in the event of such default, including as a matter of right the appointment of a receiver, provided, however, that such rights and remedies shall not be inconsistent with the general laws of the state and other provisions of this title;

(l) limitations on the power of the authority to sell or otherwise dispose of any water facility or any part thereof or other property;

(m) limitations on the amount of revenues and other moneys to be expended for operating, administrative or other expenses of the authority;

(n) the payment of the proceeds of bonds, revenues and other moneys to a trustee or other depository, and for the method of disbursement thereof with such safeguards and restrictions as the authority may determine; and

(o) any other matters of like or different character which in any way affect the security or protection of the bonds or the rights and remedies of bondholders.

6. In addition to the powers herein conferred upon the authority to secure its bonds, the authority shall have power in connection with the issuance of bonds to adopt resolutions and enter into trust indentures, agreements, or other instruments as the authority may deem necessary, convenient or desirable concerning the use or disposition of its revenues or other moneys or property, including the mortgaging of any property and the entrusting, pledging or creation of any other security interest in any such revenues, moneys, or property and the doing of any act, including refraining from doing any act, which the authority would have the right to do in the absence of such agreements. The authority shall have power to enter into amendments of any such agreements within the powers granted to the authority by this title and to perform such agreements. The provisions of any such agreements may be made a part of the contract with the holders of bonds of the authority.

7. Any provision of the uniform commercial code to the contrary notwithstanding, any pledge of or other security interest in revenues, moneys, accounts, contract rights, general intangibles or other personal property made or created by the authority shall be valid, binding and perfected from the time when such pledge is made or other security interest attaches without any physical delivery of the collateral or further act, and the lien of any such pledge or other security interest shall be valid, binding and perfected against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether or not such parties have notice thereof. No instrument by which such a pledge or security interest is created nor any financing statement need be recorded or filed.

8. Whether or not the bonds of the authority are of such form and character as to be negotiable instruments under the terms of the uniform commercial code, the bonds are hereby made negotiable instruments within the meaning of and for all purposes of the uniform commercial code, subject only to the provisions of the bonds for registration.

9. Neither the members nor the officers of the authority nor any

person executing bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

10. The authority, subject to such agreements with bondholders as then may exist, shall have power out of any moneys available therefor to purchase bonds of the authority in lieu of redemption, at a price not exceeding:

(a) if the bonds are then redeemable, the redemption price then applicable, plus accrued interest to the next interest payment date;

(b) if the bonds are not then redeemable, the redemption price then applicable on the first date after such purchase upon which the bonds become subject to redemption plus accrued interest to the next interest payment date. Bonds so purchased shall thereupon be cancelled.

11. The authority shall have power and is hereby authorized to issue negotiable bond anticipation notes in conformity with applicable provisions of the uniform commercial code and may renew the same from time to time but the maximum maturity of any such note, including renewals thereof, shall not exceed five years from the date of issue of such original note.

* NB There are 2 \$ 1199-gggg's

* § 1199-hhhh. Remedies of bondholders. Subject to any resolution or resolutions adopted pursuant to paragraph (j) of subdivision five of section eleven hundred ninety-nine-gggg of this title:

1. In the event that the authority shall default in the payment of principal of or interest on any issue of the bonds after the same shall become due whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the authority shall fail or refuse to comply with the provisions of this title, or shall default in any agreement made with the holders of any issue of the bonds, the holders of twenty-five per centum in aggregate principal amount of the bonds of such issue then outstanding, by instrument or instruments filed in the office of the clerk of the county and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such bonds for the purposes herein provided.

2. Such trustee may, and upon written request of the holders of twenty-five per centum in principal amount of such bonds outstanding shall, in its own name:

(a) by action or proceeding in accordance with the civil practice law and rules, enforce all rights of the bondholders including the right to require the authority to collect rents, rates, fees, and charges adequate to carry out any agreement as to, or pledge of, such rents, rates and charges, and to require the authority to carry out any other agreements with the holders of such bonds and to perform its duties under this title;

(b) bring an action or proceeding upon such bonds;

(c) by action or proceeding, require the authority to account as if it were the trustee of an express trust for the holders of such bonds;

(d) by action or proceeding, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds; and

(e) declare all such bonds due and payable, and if all defaults shall be made good, then with the consent of the holders of twenty-five per centum of the principal amount of such bonds then outstanding, annul such declaration and its consequences.

3. Such trustee shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incidental to the general representation of bondholders in the enforcement and protection of their rights.

4. The state supreme court shall have jurisdiction of any action or proceeding by the trustee on behalf of such bondholders. Venue of any such action or proceeding shall be laid in the county.

5. Any such trustee, whether or not the issue of bonds represented by such trustee has been declared due and payable, shall be entitled as of right to the appointment of a receiver of any part or parts of the properties the revenues of which are pledged for the security of the bonds of such issue, and, subject to any pledge or agreement with holders of such bonds, such receiver may enter and take possession of such part or parts of the properties and shall take possession of all moneys and other property derived from such part or parts of such properties and proceed with any construction thereon or the acquisition of any property, real or personal, in connection therewith which the authority is under obligation to do, and to operate, maintain and reconstruct such part or parts of the properties and collect and receive all revenues there after arising therefrom subject to any pledge thereof or agreement with bondholders relating thereto and perform the public duties and carry out the agreements and obligations of the authority under the direction of the court. In any suit, action or proceeding by the trustee, the fees, counsel fees and expenses of the trustee and of the receiver, if any, shall constitute taxable disbursements and all costs and disbursements allowed by the court shall be a first charge on any revenues derived from the properties.

6. Before declaring the principal of bonds due and payable, the trustee shall first give thirty days' notice in writing to the authority.

* NB There are 2 § 1199-hhhh's

* § 1199-iiii. State and municipalities not liable on authority bonds. Neither the state nor any municipality shall be liable on the bonds of the authority and such bonds shall not be a debt of the state or of any municipality, and such bonds shall contain on the face thereof a statement to such effect.

* NB There are 2 § 1199-iiii's

* § 1199-jjjj. Moneys of the authority. All monies of the authority from whatever source derived shall be paid to the treasurer of the authority and shall be deposited forthwith in a bank or banks designated by the authority. The monies in such accounts shall be paid out on check of the treasurer upon requisition by such person or persons as the authority may authorize to make such requisitions. All deposits of such monies shall be secured by obligations of the United States or of the state or of any municipality of a market value equal at all times to the amount on deposit and all banks and trust companies are authorized to give such security for such deposits. To the extent practicable, consistent with the cash requirements of the authority, all such monies shall be deposited in interest bearing accounts. The authority shall have power, notwithstanding the provisions of this section, to contract with the holders of any bonds as to the custody, collection, security,

investment and payment of any monies of the authority or any monies held in trust or otherwise for the payment of bonds or any way to secure bonds, and carry out any such contract notwithstanding that such contract may be inconsistent with the provisions of this section. Monies held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of such monies may be secured in the same manner as monies of the authority and all banks and trust companies are authorized to give such security for such deposits. Any monies of the authority not required for immediate use or disbursement may, at the discretion of the authority, be invested in those obligations specified pursuant to the provision of section ninety-eight-a of the state finance law. Subject to the provisions of any contract with bond holders and with the approval of the state comptroller, the authority shall prescribe a system of accounts.

* NB There are 2 § 1199-jjjj's

* § 1199-kkkk. Bonds legal investments for fiduciaries. The bonds of the authority are hereby made securities in which all public officials and bodies of the state and all municipalities, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, investment companies and other persons carrying on a banking business, and administrators, guardians, executors, trustees and other fiduciaries and all other persons whatsoever, who are now or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds including capital in their control or belonging to them. The bonds are also hereby made securities which may be deposited with and may be received by all public officers and bodies of the state all municipalities for any purposes for which the deposit of bonds or other obligations of the state is now or hereafter may be authorized.

* NB There are 2 § 1199-kkkk's

* § 1199-llll. Agreement with the state. The state does hereby pledge to and agree with the holders of any bonds issued by the authority pursuant to this title that the state will not alter or limit the rights hereby vested in the authority to purchase, construct, maintain, operate, repair, improve, increase, enlarge, extend, reconstruct, renovate, rehabilitate or dispose of any water or sewer project, or any part or parts thereof, for which bonds of the authority shall have been issued, to establish and collect rates, rents, fees and other charges referred to in this title and to fulfill the terms of any agreement made with or for the benefit of the holders of the bonds or with any public corporation or person with reference to such project or part thereof, or in any way impair the rights and remedies of the bondholders, until the bonds, together with the interest thereon, including interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state in any agreement with bondholders.

* NB There are 2 § 1199-llll's

* § 1199-mmmm. Exemption from taxes, assessments and certain fees; payments in lieu of taxes. 1. It is hereby determined that the creation of the authority and the carrying out of its corporate purposes is in all respects for the benefit of the people of the county and the state and is a public purpose, and the authority shall be regarded as performing a governmental function in the exercise of the powers conferred upon it by this title and shall not be required to pay any taxes, special ad valorem levies or special assessments upon any real property owned by it or any filing, recording or transfer fees or taxes in relation to instruments filed, recorded or transferred by it or on its behalf provided, however, that any real property owned or acquired by the authority outside of the district shall be exempt from real property taxes, ad valorem levies or special assessments only pursuant to and to the extent provided by an agreement with the governing body of the municipality in which such real property is located.

2. The authority may pay, or may enter into agreements with any municipality not located within the county to pay, a sum or sums annually or otherwise or to provide other considerations to such municipality with respect to real property owned by the authority located within such municipality and constituting a part of its water system.

3. Any bonds issued pursuant to this title together with the income therefrom shall be exempt from taxation except for transfer and estate taxes. The revenues, moneys and all other property and all activities of the authority shall be exempt from all taxes and governmental fees or charges, whether imposed by the state or any municipality, including without limitation real estate taxes, franchise taxes, sales taxes or other excise taxes.

4. The state hereby covenants with the purchasers and with all subsequent holders and transferees of bonds issued by the authority pursuant to this title, in consideration of the acceptance of and payment for the bonds, that the bonds of the authority issued pursuant to this title and the income therefrom shall be exempt from taxation as aforestated in subdivision three of this section, and that all revenues, moneys, and other property pledged to secure the payment of such bonds shall at all times be free from taxation as aforestated in such subdivision.

* NB There are 2 § 1199-mmmm's

* § 1199-nnnn. Actions against the authority. 1. Except in an action for wrongful death, no action or special proceeding shall be prosecuted or maintained against the authority for personal injury or damage to real or personal property alleged to have been sustained by reason of the negligence or wrongful act of the authority or any member, officer, agent or employee thereof, unless:

(a) a notice of claim shall have been made and served upon the authority within the time limit prescribed by and in compliance with section fifty-e of the general municipal law;

(b) it shall appear by and as an allegation in the complaint or moving papers that at least thirty days have elapsed since the service of such notice and that adjustment or payment thereof has been neglected or refused; and

(c) the action or special proceeding shall be commenced within one year and ninety days after the happening of the event upon which the

claim is based.

An action for wrongful death against the authority shall be commenced in accordance with the notice of claim and time limitation provisions of title eleven of article nine of this chapter.

2. Wherever a notice of claim is served upon the authority, it shall have the right to demand an examination of the claimant relative to the occurrence and extent of the injuries or damages for which claim is made, in accordance with the provisions of section fifty-h of the general municipal law.

3. The authority may require any person presenting for settlement an account or claim for any cause whatever against the authority to be sworn before a member, counsel, or an attorney, officer or employee thereof designated for such purpose, concerning such account or claim and when so sworn, to answer orally as to any facts relative to such account or claim. The authority shall have power to settle or adjust all claims in favor of or against the authority.

4. Any action or proceeding to which the authority or the people of the state may be parties, in which any question arises as to the validity of this title, shall be preferred over all other civil causes of action or cases, except election causes of action or cases, in all courts of the state and shall be heard and determined in preference to all other civil business pending therein except election causes, irrespective of position on the calendar. The same preference shall be granted upon application of the authority or its counsel in any action or proceeding questioning the validity of this title in which the authority may be allowed to intervene. The venue of any such action or proceeding shall be laid in the supreme court of the county.

5. The rate of interest to be paid by the authority upon any judgment for which it is liable, other than a judgment against the authority on bonds, shall be the rate prescribed by section five thousand four of the civil practice law and rules. Interest on payments of principal or interest on any bonds in default shall accrue at the rate or rates set forth in such bonds from the due date thereof until paid or otherwise satisfied.

* NB There are 2 § 1199-nnnn's

§ 1199-pppp. Construction and purchase contracts. The authority shall let contracts for construction or purchase of supplies, materials, or equipment pursuant to sections one hundred one and one hundred three of the general municipal law and shall be let in accordance with the provisions of state law pertaining to prevailing wages, labor standards, and working hours. Nothing in this section shall be construed to limit the power of the authority to do any construction directly by the officers, agents and employees of the authority.

* § 1199-qqqq. Code of ethics. 1. Definition. As used in this section the term "authority employee" shall mean any member, officer or employee of the authority.

2. Rule with respect to conflicts of interest. No authority employee 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 with the proper discharge of his or her duties in the public interest.

3. Standards. (a) No authority employee should accept other employment

which will impair his or her independence of judgment in the exercise of his or her official duties.

(b) No authority employee should accept employment or engage in any business or professional activity which will require the employee to disclose confidential information which he or she has gained by reason of his or her official position or authority.

(c) No authority employee should disclose confidential information acquired by the employee in the course of his or her official duties nor use such information to further his or her personal interests.

(d) No authority employee should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others.

(e) No authority employee should engage in any transaction as representative or agent of the authority with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his or her official duties.

(f) An authority employee should not by his or her conduct give reasonable basis for the impression that any person can improperly influence such employee or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.

(g) An authority employee should abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by the employee or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.

(h) An authority employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

(i) No authority employee employed on a full-time basis nor any firm or association of which such an employee is a member nor corporation a substantial portion of the stock of which is owned or controlled directly or indirectly by such employee, should sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the authority in which such employee services or is employed.

(j) If any authority 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 or she should file with the secretary of state a written statement that he or she has such a financial interest in such activity which statement shall be open to public inspection.

4. Violations. In addition to any penalty contained in any other provision of law any such authority employee who shall knowingly and intentionally violate any of the provisions of this section may be fined, suspended or removed from office or employment.

* NB There are 2 § 1199-qqqq's

* § 1199-rrrr. Equal employment opportunity. The authority shall ensure that all employees or applicants for employment are afforded equal employment opportunity without discrimination.

* NB There are 2 § 1199-rrrr's

* § 1199-ssss. Audit and annual report. In conformity with the provisions of section five of article ten of the constitution, the accounts of the authority shall be subject to the supervision of the state comptroller and an annual audit shall be performed by an independent certified accountant. The authority shall annually submit to the board of supervisors, county treasurer, governor and the state comptroller and to the chairperson of the senate finance committee and the chairperson of the assembly ways and means committee a detailed report pursuant to the provisions of section two thousand eight hundred of this chapter, and a copy of such report shall be filed with the clerk of the board of supervisors and the county treasurer.

* NB There are 2 § 1199-ssss's

* § 1199-tttt. Environmental applications, proceedings, approvals and permits. Any application in relation to the purposes of or contemplated by this title heretofore filed, or any proceeding heretofore commenced, by the county or any agency thereof with the state department of environmental conservation, the department of transportation or any other state agency or instrumentality or with the United States environmental protection agency or any other federal agency or instrumentality shall inure to and for the benefit of the authority to the same extent and in the same manner as if the authority had been a party to such application or proceeding from its inception, and the authority shall be deemed a party thereto, to the extent not prohibited by any federal law. Any license, approval, permit or decision heretofore or hereafter issued or granted pursuant to or as a result of any such application or proceeding shall inure to the benefit of and be binding upon the authority and shall be assigned and transferred by the county or any agency thereof to the authority, unless such assignment and transfer is prohibited by federal law.

* NB There are 2 § 1199-tttt's

* § 1199-uuuu. Limited liability. Neither the members of the authority, nor any municipality, officer or employee acting in its behalf, while acting within the scope of their authority, shall be subject to any personal liability resulting from the construction, maintenance or operation of any of the properties of the authority or from carrying out any of the powers expressly given in this title; provided, however, that this section shall not be held to apply to any independent contractor.

* NB There are 2 § 1199-uuuu's

* § 1199-vvvv. Governmental capacity of the authority and municipalities. The authority, the county and the other municipalities, in carrying out their respective powers and duties under this title, shall be deemed to be acting in a governmental capacity and in the performance of an essential governmental function.

* NB There are 2 § 1199-vvvv's

* § 1199-wwww. Separability clause. If any section, clause or provision in this title shall be held by a competent court to be unconstitutional or ineffective in whole or in part, to the extent that it is not unconstitutional or ineffective, it shall be valid and effective, and no other section, clause or provision shall on account thereof be deemed invalid or ineffective.

* NB There are 2 § 1199-wwww's

* § 1199-xxxx. Effect of inconsistent provisions. In so far as the provisions of this title are inconsistent with the provisions of any other act, general or special, or of any charter, local law, ordinance or resolution of any municipality, the provisions of this title shall be controlling. Nothing contained in this section shall be held to supplement or otherwise expand the powers or duties of the authority otherwise set forth in this title. Except as specifically provided for in this title, in the performance of any of its functions, powers and duties, the authority shall be subject to all applicable general or special laws of the state, the county charter, and any local law, ordinance or resolution of the county.

* NB There are 2 § 1199-xxxx's

* § 1199-yyyy. Charges by the authority; method of collection. 1. The authority may fix and collect, on any equitable basis, rates, fees and other charges for the use of its water or sewer facilities or of the services or commodities provided by the authority. Such rates, rentals, fees and other charges may be fixed and collected from any person or corporation to which such facilities, services or commodities are provided or made available from the authority. Such rates, rentals, fees and other charges may be the same or different for each classification of user or service recipient and may, by way of example, reflect the source and composition of the sewage or location of services or system costs and expenses. The authority shall not establish, fix or revise any classification or user or rate, rental or fee or other charge unless and until the authority has held a public hearing at which interested persons shall have an opportunity to be heard concerning the same. Notice of any such public hearing shall be published at least ten days before the date set therefore, in at least one newspaper of general circulation in the boundaries of the authority. Such notice shall set forth the date, time and place of such hearing and shall include a brief description of matters to be considered at such meeting. A copy of such notice shall be available for inspection by the public. At any such hearing, any interested persons shall have an opportunity to be heard concerning the matters under consideration. Any decision by the authority at such public hearing or relating to the matters under consideration at such hearing shall be in writing and made available in the office of the authority for public inspection during regular business hours.

2. All rates, fees and other charges for the use of the facilities or services or commodities provided or made available by the authority and billed directly by the authority to the user or service recipient pursuant to a classification of users or service recipients adopted by the authority as herein provided shall be lien upon the real property upon which, or in connection with which, services are provided or are made available, as and from the first date fixed for a payment of such

rates, rentals, fees and other charges. Any such lien shall take precedent over all other liens, or encumbrances, except taxes or assessments. The treasurer of the authority shall prepare and transmit to the board of supervisors of the county, on or before the first day of November in each year, a list of those properties using such facilities or for which such services or commodities were provided or made available and from which the payment of rates, rentals, fees and other charges are in arrears for a period of thirty days or more after the last day fixed for payment of such rates, rentals, fees and other charges without penalty. The list shall contain a brief description of such properties, the names of the persons or corporations liable to pay for the same, and the amount chargeable to each, including penalties and interest, as applicable, computed to December thirty-first of that year.

The board of supervisors shall levy such sums against the properties liable and shall state the amount thereof in a separate column in the annual tax rolls of the county under the heading "water charge" or "sewer disposal charge," as applicable. Such amounts, excluding penalties and interest when collected by the county collector or receiver of taxes, shall be paid over to the treasurer of the authority.

Penalties and interest shall be retained by the collector which shall become a part of the general funds of the county. All of the provisions of the tax law of the state governing enforcement and collection of unpaid taxes or assessments for special improvements not inconsistent herewith shall apply to the collection of such unpaid rates, rentals, fees and other charges.

* NB There are 2 § 1199-yyyy's

A01-004

County of Livingston

Geneseo, New York 14454

Board of Supervisors



RESOLUTION NO. 95- 98 REQUESTING THE NEW YORK STATE SENATE AND THE NEW YORK STATE ASSEMBLY TO CREATE THE LIVINGSTON COUNTY WATER AND SEWER AUTHORITY

WHEREAS, a bill has been introduced in the New York State Senate (S.2960) and the New York State Assembly (A.5041) to make the Public Authorities Law, in relation to creating the Livingston County Water and Sewer Authority and providing for the powers of the Authority, and

WHEREAS, the Livingston County Board of Supervisors must make a Home Rule Request requesting the New York State Senate and the New York State Assembly to enact this special law, now, therefore, be it

RESOLVED, that the Livingston County Board of Supervisors request that the New York State Legislature adopt Senate Bill S.2960, Assembly Bill A.5041, amending the Public Authorities Law, in relation to creating the Livingston County Water and Sewer Authority and providing for the powers of the authority, and be it further

RESOLVED, that the Chairman of the Board of Supervisors and the Clerk of the Board of Supervisors are authorized to file the appropriate Home Rule Request with the New York State Senate and the New York State Assembly.

Dated at Geneseo, New York
March 8, 1995

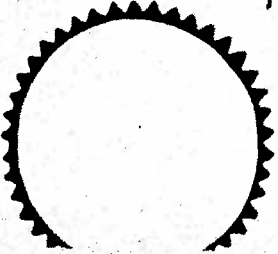
W. Harold Stewart
W. HAROLD STEWART, CHAIRMAN

Norman G. Sparks
NORMAN G. SPARKS

Francis E. Kosakowski
FRANCIS E. KOSAKOWSKI

PUBLIC WORKS COMMITTEE

LIVINGSTON COUNTY
Board of Supervisors
GENESEO, N.Y.

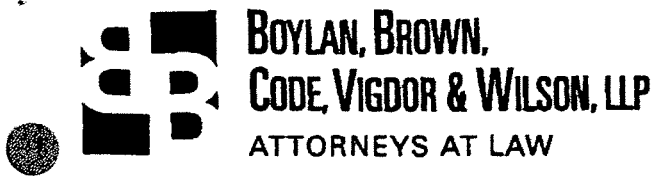


This is to Certify that I, the undersigned, Clerk of the Board of Supervisors of the County of Livingston, have compared the foregoing copy of resolution with the original resolution now on file in this office and which was duly adopted by the Board of Supervisors of said County on the 8 day of March, 1995, and that the same is a true and correct transcript of said resolution and of the whole thereof

In Witness Whereof I have hereunto set my hand and the official seal of the Board of Supervisors of the County of Livingston, this 9 day of March, 1995.

A01-005

2400 Chase Square
Rochester, New York 14604



FACSIMILE COVER SHEET
MARCH 7, 2002

TO:	Cathy Muscarella	FROM:	Catherine A. Foerster, Esq.
FIRM:	LCW&SA	FIRM:	Boylan, Brown, et al.
PHONE:	346-3523	PHONE:	716- 232-5300 (Ext. 226)
FAX:	346-0954	FAX:	716-232-3528 or 238-9026
PAGES SENT:	<u>6</u>	FILE #:	96202-1

Please contact Lisa Skavienski of our Business Service Center at 232-5300 Ext. 291 if there is a problem with transmission.

Cathy,

Your enabling statute (§ 1199-dddd (25)) says the Authority is subject to Public Service Law §§ 89-b (subsections 3-a, 3-b and 3-c) and 116. Copies are attached.



Thursday, March 7, 2002

New York State Consolidated Laws

[Back](#) | [New York State Laws](#) | [Assembly Home](#)

Public Service

ARTICLE 4-B

PROVISIONS RELATING TO WATER

Section 89-a. Application of article.

89-b. Safe and adequate service; just and reasonable charges; unjust discrimination; unreasonable preference; protection of privacy.

89-c. General powers of commission in respect to water supply.

89-d. Inspection of meters.

89-e. Filing of approval for construction; approval of initial rate schedules; certificate for parallel or duplicate lines.

89-f. Approval of issues of stock, bonds and other forms of indebtedness.

89-g. Reorganization.

89-h. Transfer of franchises or stocks.

89-i. Complaints as to price of water; investigation by commission; forms of complaints.

89-j. Notice and hearing; order fixing price of water or requiring improvement.

89-l. Municipal water systems.

89-n. Defense in case of excessive charges for water.

89-o. Powers of local officers.

89-p. Powers of the department.

Sec. 89-a. Application of article. This article shall apply to the sale, furnishing and distribution of water for domestic, commercial and public purposes, not including bottled water.

S 89-b. Safe and adequate service; just and reasonable charges; unjust discrimination; unreasonable preference; protection of privacy.

1. Every water-works corporation shall furnish and provide such service, instrumentalities and facilities as shall be safe and adequate and in all respects just and reasonable. All charges made or demanded by any such water-works corporation for water, or for equipment furnished or for any service rendered or to be rendered shall be just and reasonable and not more than allowed by law or by order of the commission. Every unjust or unreasonable charge made or demanded for water or for equipment furnished or for any such service, or in connection therewith, or in excess of that allowed by law or by the order of the commission is prohibited.

2. No water-works corporation shall directly or indirectly, by any special rate, rebate, drawback or other device or method, charge, demand, collect or receive from any person or corporation a greater or less compensation for water, or for equipment or for any service rendered or to be rendered or in connection therewith, except as authorized in this article, than it charges, demands, collects or receives from any other person or corporation for doing a like and

contemporaneous service with respect thereto under the same or substantially similar circumstances or conditions.

3. No water-works corporation shall make or grant any undue or unreasonable preference or advantage to any person, corporation or locality, or to any particular description of service in any respect whatsoever, or subject any particular person, corporation or locality or any particular description of service to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

3-a. No water-works corporation shall discontinue or disconnect the supply of water for non-payment of water rents, rates or charges, unless such water-works corporation shall have first given fifteen days' written notice of its intention so to do to the owner of the premises thereby affected, or in lieu thereof, to the person, firm or corporation to whom or which the last preceding bill has been rendered and from whom or which the water-works corporation has received payment therefor, and to the superintendent or other person in charge of the building or premises thereby affected, if it can be readily ascertained that there is such superintendent or other person in charge. Such notice in every case shall be served either personally on the person, firm or corporation to which it is directed, or by mailing the same in a postpaid wrapper to the address of such person, firm or corporation.

3-b. (a) No water-works corporation can effect the discontinuance of residential service for nonpayment of bills rendered for water service on Friday after twelve noon, Saturday, Sunday, public holiday, or day on which the main business office of the corporation is not open for business.

(b) Discontinuance for nonpayment of bills rendered for water service of residential services can only take place between Monday and Thursday between the hours of eight a.m. and six p.m., and Fridays before twelve noon.

(c) The term public holiday refers to those holidays enumerated in the general construction law.

3-c. It shall be unlawful for any water-works corporation to discontinue the supply of water to any person or entity receiving public assistance, for nonpayment of bills rendered for service, if the payment for such service is to be paid directly by the department of social services or the social services official in such locality.

4. Nothing in this chapter shall be taken to prohibit a water-works corporation from establishing a sliding scale for a fixed period for the automatic adjustment of charges for water, or any service rendered or to be rendered and the dividends to be paid to stockholders of such corporation, provided the sliding scale shall first have been filed with and approved by the commission; but nothing in this subdivision shall operate to prevent the commission after the expiration of such fixed period from fixing proper, just and reasonable rates and charges to be made for service as authorized in this article.

5. Nothing in this chapter shall be taken to prohibit a water-works corporation from establishing classifications of service based upon the quantity of water used, times when used, purpose for which used, duration of use, or upon any other reasonable consideration, and providing schedules of just and reasonable graduated rates applicable thereto. No such classification, schedule, rate or charge shall be lawful unless it shall be filed with and approved by the commission, and every such classification, rate or charge shall be subject to change, alteration and modification by the commission.

6. No water works corporation shall sell or offer for sale any list of names of its customers.

7. Every water-works corporation providing service to the residents of a county with a population of one million two hundred fifty thousand or more which is not wholly contained within a city shall meter service to its customers within two years of the effective date of this subdivision.

S 89-c. General powers of commission in respect to water supply. The commission: 1. Shall have general supervision of all water-works corpo-

rations, as hereinbefore defined, having authority under any general or special law or under any charter or franchise to lay down, construct or maintain pipes, conduits, ducts or other fixtures in, on or under the streets, highways and public places of any municipality, for the purpose of furnishing or distributing water for domestic, commercial or public uses, and all water systems owned, leased or operated by any such water-works corporation; provided, however, that nothing herein contained shall be construed to delegate the general powers of the state department of health or of the water power and control commission or any of the powers and functions of either as provided by law, nor shall anything herein contained be construed to impair nor to deprive such department or commission of its powers and functions as now provided by law.

2. Shall have power of its own motion to examine and investigate the methods employed by water-works corporations in delivering and supplying water and furnishing equipment, and shall have access through its members or through an officer or employee specially authorized by it to make such examinations and investigations to all parts of the systems owned, used or operated for the distribution of water by any such corporation.

3. Shall have power, in its discretion, to prescribe uniform methods of keeping accounts, records and books to be observed by water-works corporations. It may also, in its discretion, prescribe by order forms of accounts, records and memoranda to be kept by such corporations. Notice of alterations by the commission in the required method or form of keeping a system of accounts shall be given to such corporations by the commission at least six months before the same shall take effect. Any other and additional forms of accounts, records and memoranda kept by such corporations shall be subject to examination by the commission.

4. Shall have power to examine all water-works corporations and keep informed as to the methods, practices, regulations and property employed by them in the transaction of their business. Whenever the commission shall be of the opinion, after a hearing had upon its own motion or upon complaint, that the rates, charges or classifications or the acts or regulations of any such corporation are unjust, unreasonable, unjustly discriminatory, or unduly preferential, or in any wise in violation of any provision of law, the commission shall determine and prescribe in the manner provided by and subject to the provisions of section eighty-nine-j of this chapter, the just and reasonable rates, charges and classifications thereafter to be enforced for the service to be rendered, notwithstanding that a different rate or charge has heretofore been prescribed by general or special statute, contract, grant, franchise, condition, consent or other agreement, and the just and reasonable acts and regulations to be done and observed; and whenever the commission shall be of opinion, after a hearing had upon its own motion or upon complaint, that the property, equipment or appliances of any such corporation are unsafe, inefficient or inadequate, the commission shall determine and prescribe the safe, efficient and adequate property, equipment and appliances thereafter to be used, maintained and operated for the security and accommodation of the public and in compliance with the provisions of law and of their franchises and charters; provided, however, that in its determination and prescription of safe, efficient and adequate property, equipment and appliances as herein provided any such property, equipment and appliances theretofore approved by the water power and control commission, or its predecessor, shall be deemed to have been adequate, safe and efficient at the time of such approval. Nothing herein contained shall be deemed to dispense with any approval of work by the water power and control commission required by the conservation law; and if such an approval pertains to work done pursuant to such determination or prescription of the public service commission, such approval shall be conclusive that the work was done in compliance with such determination or prescription.

5. Shall have power to require every water-works corporation, and it shall be the duty of every water-works corporation, as defined by this chapter, to file with the commission an annual report, verified by the

oath of the president, vice-president, treasurer, secretary, manager, or receiver, if any, or by the person required to file the same. The verification shall be made by said official holding office at the time of filing said report, and if not made upon the knowledge of the person verifying the same, shall set forth the sources of his information and the grounds of his belief as to any matters not stated to be verified upon his knowledge. The report shall show in detail (a) the amount of its authorized capital stock and the amount thereof issued and outstanding; (b) the amount of its authorized bonded indebtedness and the amount of its bonds and other forms of evidence of indebtedness issued and outstanding; (c) its receipts and expenditures during the preceding year; (d) the amount paid as dividends upon its stock and as interest upon its bonds; (e) the names of its officers and the aggregate amount paid as salaries to them and the amount paid as wages to its employees; (f) the location of its plant or plants and system, with a full description of its property and franchises, stating in detail how each franchise stated to be owned was acquired; and (g) such other facts pertinent to the operation and maintenance of the plants and system, and the affairs of such person or corporation as may be required by the commission. Such reports shall be in the form, cover the period, and be filed at the time prescribed by the commission. The commission may, from time to time, make changes and additions in such forms. When any such report is defective or believed to be erroneous, the commission shall notify the corporation making such report to amend the same within a time prescribed by the commission. Any such corporation which shall neglect to make any such report or which shall fail to correct any such report within the time prescribed by the commission shall be liable to a penalty of one hundred dollars and an additional penalty of one hundred dollars for each day after the prescribed time for which it shall neglect to file or correct the same, to be sued for in the name of the people of the state of New York, if ordered by the commission. The amount recovered in any such action to be paid to the commission shall be paid into the state treasury and be credited to the general fund. The commission, for cause shown, may extend the time prescribed and, by compromise, may accept less than the amount of such a penalty, in settlement thereof.

6. Shall have power, either through its members or inspectors or employees duly authorized by it, to enter in or upon and to inspect the property, buildings, plants, pump houses, ducts, conduits and offices of any such water-works corporation.

7. Shall have power to examine the accounts, books, contracts, records, documents and papers of any water-works corporation, and have power, after a hearing, to prescribe by order the accounts in which particular outlays and receipts shall be entered, charged or credited. At any such hearing the burden of proof shall be on such corporation to establish the correctness of the accounts in which such outlays and receipts have been entered, and the commission may suspend a charge or credit pending submission of proof by such corporation.

8. Shall have power to compel, by subpoena duces tecum, the production of any accounts, books, contracts, records, documents, memoranda and papers. In lieu of requiring production of originals by subpoena duces tecum the commission or any commissioner may require sworn copies of any such books, records, contracts, documents and papers, or any parts thereof, to be filed with it. The commission may require of all such water-works corporations specific answers to questions upon which the commission may need information, and may also require such corporations to file periodic reports in the form, covering the period and filed at the time prescribed by the commission. If such corporation shall fail to make specific answer to any question or shall fail to make a periodic report when required by the commission as herein provided within the time and in the form prescribed by the commission for the making and filing of any such report or answer, such corporation shall forfeit to the state the sum of one hundred dollars for each and every day it shall continue to be in default with respect to such report or answer. Such forfeiture may be recovered in an action brought by the

commission in the name of the people of the state of New York. The amount recovered in any such action, or paid to the commission, shall be paid into the state treasury and be credited to the general fund. The commission, for cause shown, may by compromise accept less than the amount of such forfeiture, in settlement thereof.

9. Shall have power in all parts of the state, either as a commission or through its members, or through an officer or employee specially authorized to conduct an investigation or hearing, to subpoena witnesses, take testimony and administer oaths to witnesses in any proceeding or examination instituted before it, or conducted by it in reference to any matter within its jurisdiction under this article.

10. (a) Shall have power to require every water-works corporation to file with the commission and to print and keep open to public inspection schedules showing all rates and charges made, established or enforced or to be charged or enforced, all forms of contract or agreement and all rules and regulations relating to rates, charges or service used or to be used, and all general privileges and facilities granted or allowed by such corporation; but this subdivision shall not apply to state, municipal or federal contracts.

(b) No change shall be made in any rate or charge, or in any form of contract or agreement or any rule or regulation relating to any rate, charge or service, or in any general privilege or facility, which shall have been filed by such a corporation, in compliance with an order of the commission, except after thirty days' notice to the commission and to each county, city, town and village served by such water-works corporation which had filed with such corporation, within the prior twelve months, a request for such notice and which shall be affected by such change and publication of a notice to the public of such proposed change once in each week for four successive weeks in a newspaper having general circulation in the county or counties containing territory affected by the proposed change, which notice shall plainly state the changes proposed and when the change will go into effect. The commission for good cause shown may, except in the case of major changes, allow changes to take effect prior to the end of such thirty-day period and without publication of notice to the public under such conditions as it may prescribe. The commission may delegate to the secretary of the commission its authority to approve a change to a schedule postponing the effective date of such schedule previously filed with the commission and to allow for good cause shown the postponement to take effect prior to the end of such thirty-day period and without publication of notice to the public.

(c) For the purpose of this subdivision, "major changes" shall mean an increase in the rates and charges which would increase the aggregate revenues of the applicant more than the greater of three hundred thousand dollars or two and one-half percent, but shall not include changes in rates, charges or rentals allowed to go into effect by the commission or made by the utility pursuant to an order of the commission after hearings held upon notice to the public.

(d) No such corporation shall charge, demand, collect or receive a greater or less or different compensation for any service rendered or to be rendered than the rates and charges specified in its schedule filed and in effect; nor shall any such corporation refund or remit in any manner or by any device any portion of the rates or charges so specified, nor extend to any person any form of contract or agreement, or any rule or regulation, or any privilege or facility, except such as are regularly and uniformly extended to all persons under like circumstances.

(e) The commission shall have power to prescribe the form of every such schedule and from time to time prescribe by order such changes in the form thereof as may be deemed wise. The commission shall also have power to establish such rules and regulations to carry into effect this subdivision as it may deem necessary, and to modify or amend such rules or regulations from time to time.

(f) Whenever there shall be filed with the commission by any water-

works corporation any schedule stating a new rate or charge, or any change in any form of contract or agreement or any rule or regulation relating to any rate, charge or service, or in any general privilege or facility, the commission may, at any time within sixty days from the date when such schedule would or has become effective, either upon complaint or upon its own initiative, and, if it so orders, without answer or other formal pleading by the interested corporation, but upon reasonable notice, hold a hearing concerning the propriety of a change proposed by the filing. If such change is a major change, the commission shall hold such a hearing. Pending such hearing and decision thereon, the commission, upon filing with such schedule and delivering to the corporation affected thereby a statement in writing of its reasons therefor, may suspend the operation of such schedule, but not for a longer period than one hundred and twenty days beyond the time when it would otherwise go into effect. After a full hearing, whether completed before or after the schedule goes into effect, the commission may make such order in reference thereto as would be proper in a proceeding begun after the rate, charge, form of contract or agreement, rule, regulation, service, general privilege or facility had become effective. If any such hearing cannot be concluded within the period of suspension as above stated, the commission may extend the suspension for a further period not exceeding six months.

(g) The commission may, as authorized by section eighty-nine-j of this article, establish temporary rates or charges for any period of suspension under this section.

(h) At any hearing involving a rate, the burden of proof to show that the change or proposed change if proposed by the corporation, or that the existing rate, if it is proposed to reduce the rate, is just and reasonable shall be upon the corporation; and the commission may give to the hearing and decision of such questions preference over all other questions pending before it.

(i) The schedule, rates, charges, form of contract or agreement, rule, regulation, service, general privilege or facility in force when the new schedule, rate, charge, form of contract, rule, regulation, service, general privilege or facility was filed shall continue in force during the period of the suspension unless the commission shall establish a temporary rate or charge as authorized by section eighty-nine-j of this article.

11. In case any water-works corporation is engaged in carrying on any business other than owning, operating or managing a water system, which other business is not otherwise subject to the jurisdiction of the commission, and is so conducted that its operations are to be substantially kept separate and apart from the owning, operating, managing or controlling of such water system, said corporation in respect of such other business shall not be subject to any of the provisions of this chapter and shall not be required to procure the assent or authorization of the commission to any act in such other business or to make any report in respect thereof. But this subdivision shall not restrict or limit the powers of the commission in respect to the owning, operating, managing or controlling by such corporation of such water system, and said powers shall include also the right to inquire as to, and prescribe the apportionment of, capitalization, earnings, debts and expenses fairly and justly to be awarded to or borne by the ownership, operation, management or control of such water system as distinguished from such other business. In any such case, if the owning, operating, managing or controlling of such water system by any such corporation is wholly subsidiary and incidental to the other business carried on by it and is inconsiderable in amount and not general in its character, the commission may by general rules exempt such corporation from making full reports and from keeping of accounts as to such subsidiary and incidental business.

12. The commission shall have power to require each water-works corporation to establish classifications of service based upon the quantity used, the time when used, the purpose for which used, the duration of use and upon any other reasonable consideration, and to establish in

connection therewith just and reasonable graduated rates and charges; and it shall have power, either upon complaint or upon its own motion, to require such changes in such classifications, rates and charges as it shall determine to be just and reasonable.

13. The commission, of its own motion or upon complaint of any person or corporation aggrieved, may investigate and determine whether the property of any corporation or person actually used within the state in the business of the distribution, sale or furnishing of water for domestic, commercial or public uses, exclusive of property used solely for or in connection with the business of bottling, or selling, distributing or furnishing bottled water, is of a value exceeding ten thousand dollars. Where such value is ten thousand dollars or less, the commission may require such persons and corporations to file with the commission simplified annual reports, in a form and containing such matters as the commission shall prescribe, and may prescribe simplified forms of accounts to be kept by them.

14. (a) Notwithstanding any other provision of law to the contrary, whenever real property owned by a water-works corporation is exempted from taxation pursuant to the provisions of section four hundred eighty-five-d of the real property tax law the rate or charge imposed by such corporation within the taxing jurisdiction providing for such exemption shall be set by the commission so as to reflect fully the reduction in cost of service resulting therefrom.

(b) Notwithstanding any other provision of law to the contrary, whenever a water-works corporation is the recipient of operating assistance provided by a city pursuant to the provisions of section twenty-one-e of the general city law, the rate or charge imposed by such corporation within such city shall be set by the commission so as to reflect fully the revenues to such corporation resulting therefrom.

15. The commission shall provide for management and operations audits of water-works corporations having annual gross revenues in excess of ten million dollars. Such audits shall include, but not be limited to, an investigation of the corporation's construction program planning in relation to the needs of its customers for reliable service and an evaluation of the efficiency of the company's operations. The commission shall have discretion to have such audits performed by its staff, or by independent auditors.

In every case in which the commission chooses to have the audit provided for in this subdivision performed by independent auditors, it shall have authority to select the auditors and to require the corporation being audited to enter into a contract with the auditors providing for their payment by such corporation. Such contract shall provide further that the auditors shall work for and under the direction of the commission according to such terms as the commission may determine are necessary and reasonable.

The commission shall have authority to direct the corporation to implement any recommendations resulting from such audits that it finds to be necessary and reasonable.

Upon the application of a water-works corporation for a major change in rates as defined in subdivision ten of this section, the commission shall review the corporation's compliance with the directions and recommendations made previously by the commission, as a result of the most recently completed management and operations audit undertaken pursuant to the provisions of this subdivision. The commission shall incorporate the findings of such review in its opinion or order.

16. Notwithstanding any general or special law, rule or regulation, the commission shall have the power to provide for the refund of any revenues received by any water-works corporation which cause the corporation to have revenues in the aggregate in excess of its authorized rate of return for a period of twelve months. The commission may initiate a proceeding with respect to such a refund after the conclusion of any such twelve month period.

Sec. 89-d. Inspection of meters. 1. The commission shall appoint inspectors of water meters whose duty it shall be, when required by the

commission, to inspect, examine, prove and ascertain the accuracy of any and all water meters used or intended to be used for measuring or ascertaining the quantity of water furnished by any water-works corporation to or for the use of any person or corporation, and to inspect, examine and ascertain the accuracy of all apparatus for testing and proving the accuracy of water meters, and, when found to be or made to be correct, the inspector shall stamp or mark all such meters and apparatus with some suitable device, which device shall be recorded in the office of the secretary of state. No water-works corporation shall furnish, set or put in use any water meter the type of which shall not have been approved by the commission.

2. Every water-works corporation shall provide, repair and maintain such suitable premises and apparatus and facilities as may be required and approved by the commission for testing and proving the accuracy of water meters furnished for use by it, and by which apparatus every meter may be tested.

3. If any consumer to whom a meter has been furnished shall request the commission in writing to inspect such meter, the commission shall have the same inspected and tested; provided, however, that repeated inspections and tests shall not be mandatory.

4. The commission shall prescribe such rules and regulations to carry into effect the provisions of this section as it may deem necessary.

Sec. 89-e. Filing of approval for construction; approval of initial rate schedules; certificate for parallel or duplicate lines. 1. No water-works corporation shall begin construction of a water system or extension thereof or exercise any rights or privileges under any franchise hereafter granted, or under any franchise heretofore granted but not heretofore actually exercised, or the exercise of which shall have been suspended for more than one year, without first filing with the public service commission a certified copy of the order, required by law, of the department of environmental conservation approving the same.

2. No water-works corporation shall begin operation of a water system or extension thereof, supply water or charge for service without first filing with the commission, at least one hundred twenty days prior to the date upon which service is to begin, a schedule of rates, charges, rules, regulations and such further information as the commission may require showing the basis for the corporation's determination of its proposed rate. The commission shall have power to approve or disapprove such proposed rate, or to condition an approval upon the corporation's use of a specific method of cost apportionment, for both rate and accounting purposes, among related enterprises or operations. The commission shall take final action on the proposed schedule of rates within two hundred forty days after it is filed or after information required by the commission is furnished, whichever is later, provided that within one hundred twenty days after the schedule is filed or information received, whichever is later, the schedule of rates filed by the corporation shall be allowed to become effective, either finally or on a temporary basis, on such terms as may be imposed by the commission in accordance with the procedures set forth in section one hundred thirteen of this act.

3. No main or conduit of an existing water supply company shall be paralleled or duplicated unless and until there shall have first been obtained a certificate of convenience and necessity from the commission.

S 89-f. Approval of issues of stock, bonds and other forms of indebtedness. A water-works corporation organized or existing, or hereafter incorporated, under or by virtue of the laws of the state of New York, may issue stocks, bonds, notes or other evidences of indebtedness payable at periods of more than twelve months after the date thereof, or a receiver of such a corporation, if duly authorized by law, may issue

receiver's certificates, when necessary for the acquisition of property, the construction, completion, extension or improvement of its water system, or for the improvement or maintenance of its service or for the discharge or lawful refunding of its obligations or for the reimbursement of moneys actually expended from income or from any other moneys in the treasury of the corporation not secured or obtained from the issue of stocks, bonds, notes or other evidences of indebtedness of such corporation, within five years next prior to the filing of an application with the commission for the required authorization, for any of the aforesaid purposes except maintenance of service and except replacements in cases where the applicant shall have kept its accounts and vouchers of such expenditure in such manner as to enable the commission to ascertain the amount of moneys so expended and the purposes for which such expenditure was made; provided and not otherwise that there shall have been secured from the commission an order authorizing such issue, and the amount thereof, and stating the purposes to which the issue or proceeds thereof are to be applied, and that, in the opinion of the commission, the money, property or labor to be procured or paid for by the issue of such stock, bonds, notes or other evidences of indebtedness is or has been reasonably required for the purposes specified in the order, and that except as otherwise permitted in the order in the case of bonds, notes and other evidences of indebtedness, such purposes are not in whole or in part reasonably chargeable to operating expenses or to income. Stock may be issued to stockholders as a stock dividend provided that there shall have been secured from the commission an order authorizing such issue and a transfer of surplus to capital in an amount equal to the par or stated value of the stock so authorized and stating that a sum equal to the amount to be so transferred was expended for the purposes enumerated in this section. Stock may be issued to an employee or director of a waterworks corporation under a stock option plan pursuant to which such corporation grants options to its employees or directors to purchase shares of stock, such options to be exercisable for a stated period of time to purchase shares of stock at the market value of the stock at the time of issuance of the option, provided that there shall have been secured from the commission an order authorizing such issue and that the proceeds from the exercise of the stock options are needed for one of the purposes enumerated in this section. The issue of stocks, bonds or other evidences of indebtedness, within the meaning of this section, shall include the sale hereafter by any such corporation of its stocks, bonds or other evidences of indebtedness previously issued and reacquired, whether originally issued at, before or after the time this section takes effect, provided, however, for good cause shown the commission may exempt from the restriction hereof stocks, bonds or other evidences of indebtedness. For the purpose of enabling it to determine whether it should issue such an order, the commission shall make such inquiry or investigation, hold such hearings and examine such witnesses, books, papers, documents or contracts as it may deem of importance in enabling it to reach a determination. Such corporation shall not without the consent of the commission apply said issue or any proceeds thereof to any purpose not specified in such order. Such corporation may issue notes, for proper corporate purposes and not in violation of any provision of this or of any other act, payable at periods of not more than twelve months without such consent; but no such notes shall, in whole or in part, directly or indirectly be refunded by any issue of stock or bonds or by any evidences of indebtedness running for more than twelve months without the consent of the commission. The commission shall have power to require every such corporation to file with the commission after the issuance of stocks, bonds, notes or other evidences of indebtedness, issued with or without the approval of the commission as herein provided, a notice of such transaction in such form as the commission may prescribe. Provided, however, that the commission shall have no power to authorize the capitalization of any franchise to be a corporation nor to authorize the capitalization of any franchise or the

right to own, operate or enjoy any franchise whatsoever in excess of the amount (exclusive of any tax or annual charge) actually paid to the state or to any political subdivision thereof as the consideration for the grant of such franchise or right, nor to authorize the issuance of any stocks or other securities for any purposes other than those enumerated in this section. Nor shall the capital stock of a corporation formed by the merger or consolidation of two or more other corporations, exceed the sum of the capital stock of the corporations, so consolidated, at the par value thereof, or such sum and any additional sum actually paid in cash; nor shall any contract for consolidation or lease be capitalized in the stock of any corporation whatever; nor shall any corporation hereafter issue any bonds against or as a lien upon any contract for consolidation or merger.

Sec. 89-g. Reorganization. 1. Reorganizations of water-works corporations pursuant to sections ninety-six and ninety-seven of the stock corporation law and such other statutes as may be enacted from time to time shall be subject to the supervision and control of the commission, and no such reorganization shall be had without the authorization of such commission.

2. Upon all such reorganizations the amount of capitalization, including therein all stocks and bonds and other evidences of indebtedness, shall be such as is authorized by the commission, which, in making its determination shall not exceed the fair value of the property involved, taking into consideration its original cost of construction, duplication cost, present condition, earning power at reasonable rates and all other relevant matters and any additional sum or sums as shall be actually paid in cash, provided, however, that the commission may make due allowance for discount of bonds. Any reorganization agreement before it becomes effective shall be amended so that the amount of capitalization shall conform to the amount authorized by the commission.

Sec. 89-h. Transfer of franchises or stocks. 1. No water-works corporation shall transfer or lease its franchise, works or system or any part of such franchise, works or system to any other person or corporation or contract for the operation of its works and system, without the written consent of the commission. The permission and approval of the commission to the assignment, transfer or lease of a franchise under this section shall not be construed to revive or validate any lapsed or invalid franchise or to enlarge or add to the powers and privileges contained in the grant of any franchise or to waive any forfeiture. No such corporation shall directly or indirectly acquire the stock or bonds of any other corporation incorporated for, or engaged in, the same or a similar business, or proposing to operate or operating under a franchise from the same or any other municipality, unless authorized so to do by the commission. Save where stock shall be transferred or held for the purpose of collateral security only with the consent of the commission empowered by this chapter to give such consent, no stock corporation of any description, domestic or foreign, other than a water-works corporation, shall purchase or acquire, take or hold, more than ten per centum of the voting capital stock issued by any water-works corporation organized or existing under or by virtue of the laws of this state, except that a corporation now lawfully holding a majority of the voting capital stock of any water-works corporation may with the consent of the commission acquire and hold the remainder of the voting capital stock of such water-works corporation or any portion thereof. Provided, that with the consent of such commission and upon and subject to such terms and conditions as such commission may fix and impose, any such stock corporation may acquire, take and hold more than ten per centum of the voting capital stock of any water-works corporation, organized or existing under or by virtue of the laws of this state.

2. No consent shall be given by the commission to the acquisition of any stock in accordance with this section unless it shall have been shown that such acquisition is in the public interest. Nothing contained in this section shall be construed to prevent the holding of any stock heretofore lawfully acquired, nor to prevent, upon the surrender or exchange of such stock pursuant to a reorganization plan, the purchase, acquisition, taking or holding of a proportionate amount of stock of any new corporation organized to take over, at foreclosure or other sale, the property of any corporation whose stock has been thus surrendered or exchanged; but the proportion of the voting capital stock of the new corporation held by a stock corporation and acquired by it by any such surrender or exchange of stock shall not without the consent of the commission exceed the proportion of the voting capital stock held by it in the former corporation. Every contract, assignment, transfer or agreement for transfer of any stock by or through any person or corporation to any corporation, in violation of any provision of this chapter shall be void and of no effect, and no such transfer or assignment shall be made upon the books of any such water-works corporation, or shall be recognized as effective for any purpose.

Sec. 89-i. Complaints as to price of water; investigation by commission; forms of complaints. Upon the complaint in writing of the mayor of a city, the trustees of a village or the town board of a town in which a person or corporation is authorized to supply or distribute water for domestic, commercial or public uses, or upon the complaint in writing of not less than twenty-five customers or purchasers of such water in such municipality or upon complaint of a water-works corporation supplying such water, as to the rates, charges or classifications of service for water sold and delivered in such municipality, or upon the complaint in writing of the state consumer protection board, or as to the methods employed in furnishing such service, the commission shall investigate as to the cause of such complaint. When such complaint is made, the commission may, by its agents, examiners and inspectors, inspect the works, system, plant, devices, appliances and methods used by such water-works corporation in supplying and distributing such water, and may examine or cause to be examined the books and papers of such water-works corporation pertaining to the supplying and distributing of such water. The form and contents of complaints made as provided in this section shall be prescribed by the commission. Such complaints shall be signed by the officers, or by the customers, purchasers or subscribers making them, who must add to their signatures their places of residence, by street and number, if any.

Sec. 89-j. Notice and hearing; order fixing price of water or requiring improvement. Before proceeding under a complaint presented as provided in section eighty-nine-i, the commission shall cause notice of such complaint, and the purpose thereof, to be served upon the person or corporation affected thereby. Such person or corporation shall have an opportunity to be heard in respect to the matters complained of at a time and place to be specified in such notice. An investigation may be instituted by the commission of its own motion as to any matter of which complaint may be made, as provided in section eighty-nine-i of this chapter, or to enable it to ascertain the facts requisite to the exercise of any power conferred upon it. After a hearing and after such an investigation as shall have been made by the commission or its officers, agents, examiners or inspectors, the commission may, by order, fix just and reasonable prices, rates or charges for water to be charged by such corporation or person, for the service to be furnished notwithstanding that a higher or lower price has been theretofore prescribed by general or special statute, contract, grant, franchise condition, consent or other agreement, and may order such improvement in the supply or distribution of water, or in the methods employed by such person or corporation, as will in its judgment be adequate, just and reasonable. Any such change in price shall be upon such terms,

conditions or safeguards as the commission may prescribe. If it shall be made to appear to the satisfaction of the commission that the public interest requires a change in the price of water charged by any such person or corporation, or that such change is necessary for the purpose of providing adequate and efficient service, or for the preservation of the property, the commission, upon such terms, conditions or safeguards as it deems proper, may authorize an immediate, reasonable, temporary increase or decrease in such price pending a final determination of the price to be thereafter charged by such person or corporation. The terms, conditions or safeguards prescribed may include provisions for the purposes for which the additional revenue derived from any such temporary increase may be expended and for the impounding thereof until the same shall be applied to the purposes so specified. The price fixed by the commission under this section or under subdivision four of section eighty-nine-c shall be the maximum price to be charged by such person or corporation for water for the service to be furnished within the territory and for a period to be fixed by the commission in the order, not exceeding three years except in the case of a sliding scale, and thereafter until the commission shall, upon its own motion or upon the complaint of any corporation, person or municipality interested, fix a higher or lower maximum price of water to be thereafter charged. In determining the price to be charged for water the commission may consider all facts which in its judgment have any bearing upon a proper determination of the question although not set forth in the complaint and not within the allegations contained therein, with due regard among other things to a reasonable average return upon capital actually expended and to the necessity of making reservations out of income for surplus and contingencies. At any hearing involving a rate, the burden of proof to show that the change in rate or price if proposed by the person or corporation operating such utility, or that the existing rate or price, if on motion of the commission or in a complaint filed with the commission it is proposed to reduce the rate or price, is just and reasonable shall be upon the person or corporation operating such utility; and the commission may give to the hearing and decision of such questions preference over all other questions pending before it and decide the same as speedily as possible.

S 89-1. Municipal water systems. 1. For the purposes of this section, and for the purposes of any jurisdiction conferred by it upon the public service commission, a municipality is one which owns, maintains or operates, or proposes to own, maintain or operate, a water system, or which sells, furnishes or distributes, or proposes to sell, furnish or distribute, water for domestic, commercial or public uses, whether provided by its own system or the system of a water-works corporation or another municipality. As so limited, the term "municipality" for the purposes of this section, means a city, town, village or public district; and a "public district," as here used, is a district or other territorial division, whether incorporated or not, whose affairs are managed by any officer or officers, person or persons, elected by voters or taxpayers or appointed by a public officer or officers, and includes, without excluding others, a water district, water supply district and a fire district. The other provisions of this chapter shall not apply to such a municipality, nor to its said business of owning, maintaining or operating a water system or of selling, furnishing or distributing water, except such provisions as are applied by this section by express reference. The jurisdiction of the public service commission, with respect to such a municipality or its said business, is that, and only that, provided for in this section.

2. Each such municipality shall file with the public service commission a copy of the annual report of its division, bureau or department of water.

Sec. 89-n. Defense in case of excessive charges for water. If it be alleged and established in an action brought in any court for the collection of any charge for water that a price has

been demanded in excess of that fixed by the commission or by statute in the municipality wherein the action arose, no recovery shall be had therein, but the fact that such excessive charges have been made shall be a complete defense to such action.

Sec. 29-o. Powers of local officers. If in any city having a population of fifty thousand or more there now exists or shall hereafter be created a board, body or officer having jurisdiction of matters pertaining to water supply such board, body or officer shall have and may exercise such power, jurisdiction and authority in enforcing the laws of the state and the orders, rules and regulations of the commission as may be prescribed by statute or by the commission.

Sec. 29-p. Powers of the department. The department shall, with respect to out of state water-works corporations which are affiliated with in-state water-works corporations and which provide water to such in-state corporations for eventual retail to New York consumers, keep apprised of, attend and monitor, and, where possible, formally intervene in rate cases brought by such out of state corporations before the appropriate regulatory agency of such other state. The commission shall consider and utilize information secured therefrom in determining whether rate increases sought by such affiliated in-state corporations are in the public interest.

Contact Webmaster

§ 116. Discontinuance of water service to multiple dwellings.
1. Notwithstanding any other provisions of law, no public utility company shall discontinue water service to an entire multiple dwelling (as defined in the multiple dwelling law or the multiple residence law) located anywhere in this state for nonpayment of bills rendered for service unless such utility shall have given fifteen days' written notice of its intention so to discontinue as follows:

(a) Such notice shall be served personally on the owner of the premises affected, or in lieu thereof, to the person, firm, or corporation to whom or which the last preceding bill has been rendered and from whom or which the utility has received payment therefor, and to the superintendent or other person in charge of the building or premises affected, if it can be readily ascertained that there is such superintendent or other person in charge.

(b) In lieu of personal delivery to the person or persons, firm or corporation specified in (a) above, such notice may be mailed in a postpaid wrapper to the address of such person or persons, firm or corporation.

(c) In addition to the notice prescribed by (a) or (b) above, fifteen days' written notice shall be (i) posted in the public areas of such multiple dwelling, (ii) mailed to the "Occupant" of each unit in that multiple dwelling, (iii) mailed to the local health officer and the director of the social services district for the political subdivision in which the multiple dwelling is located, (iv) if the multiple dwelling is located in a city or a village, mailed to the mayor thereof, or if there be none, to the manager, or, if the multiple dwelling is located in a town, then mailed to the town supervisor, and (v) mailed to the county executive of the county in which the multiple dwelling is located, or if there be none, then to the chairman of such county's legislative body. Notice required by (iv) and (v) of this paragraph may be mailed to the persons specified therein or to their respective designees. The notice required by this paragraph shall state the intended date of discontinuance of service, the amount due for such service, and the procedure by which any tenant or public agency may make such payment and thereby avoid discontinuance of service.

(d) The written notice required by clauses (iii), (iv) and (v) of paragraph (c) above shall be repeated not more than four days nor less than two days prior to such discontinuance.

1-a. Whenever a notice of intention to discontinue utility service has been made pursuant to the provisions of this section and obligations owed the utility have been satisfied, the utility shall notify, in the same manner as it gave such notice of intention, the occupant of each unit that the intention to discontinue utility service no longer exists.

2. For the purposes of this section, the department charged with enforcing the multiple dwelling law shall prepare a schedule of all multiple dwellings within its jurisdiction and shall provide a copy of such schedule to any water corporation subject to the provisions of this section. Such schedule shall be revised semi-annually and a revised copy provided to such corporation. Every county, and every municipality to which the multiple dwelling law does not apply, which county or municipality has compiled or hereafter may compile a listing of all multiple dwellings within its jurisdiction shall make such listing available without charge to any water corporation providing service in such county or municipality.

3. Any water corporation which willfully fails to comply with



MISSION STATEMENT AND PERFORMANCE MEASUREMENTS

A02-002

Adopted by LCWSA Board by motion at regular monthly meeting February 23, 2011

Reviewed by LCWSA Board by motion at regular monthly meeting March 23, 2012

Adopted by LCWSA Board by motion at regular monthly meeting February 27, 2013

Reviewed and approved by motion at regular monthly meeting April 23, 2014

Reviewed and approved by motion at regular monthly meeting April 22, 2015

Mission Statement:

The LCWSA mission is to provide high quality, environmentally sound, efficient, reliable, and affordable water and sewer services to the people who live, work and visit Livingston County.

Goal – Maintain a high quality water source.

The following outlines what the LCWSA is doing to achieve this goal:

- a) Changing water quality requirements - Several years ago, THM and HAA testing requirements were placed on our system. The LCWSA system did have issues with THM and HAA production. To meet this challenge, we have installed 3 rechlorination stations along our system so that we could minimize chlorine loading, and ultimately the development of THM and HAA's. This, however, proved to not be enough to avoid issues with these contaminants developing. In 2011, we installed mixing equipment to our main tank in hopes of keeping the development of THM's and HAA's out of the system. Results of this effort are yet to be evaluated. If this effort is successful, the 2014 capital project will continue to add mixing equipment to the system to improve water quality.
- b) Chlorination and Bacterial Sampling – Meeting DOH and EPA requirements - Consistent sampling for bacteriological issues takes place as required by the Department of Health. Annually, all chlorine analyzers are calibrated to insure proper treatment of water in the system.
- c) Flushing - Flushing improves water quality in areas where usage is low. Also, the flushing process moves more fresh water into the system so aged water is not an issue. LCWSA flushes each line every other year, and dead-ends annually in summer months.
- d) The LCWSA provides water to our customers through several different water sources and filtration plants operated by different municipalities. Working with supplying municipalities helps to keep the lines of communication open, and reviewing their water quality reports is essential to high water quality being served to our customers. The LCWSA also works toward moving customers to the highest water quality source available. An example is the Dacula Shores- West Lake Road project. When completed, this project will facilitate moving approximately 191 customers to the Hemlock Lake source.
- e) Backflow prevention program – This program was implemented to decrease the chance that contamination of the water supply would occur due to a decrease in pressure, which would allow backflow into the system. The program has required most non-residential customers to install testable backflow prevention devices and the customers are annually required to test that equipment and provide certified results. Also, all new residential water customers are provided a check valve, which is required to be installed to prevent backflow.

Goal – Environmentally sound sewage treatment.

The following outlines what the LCWSA is doing to achieve this goal:

- a) LCWSA has diligently worked its way out of a consent order from the NYS DEC. This was accomplished in September 2011. LCWSA completed all projects that were agreed upon by both parties. The outcome of the capital improvements and operational changes is that the Lakeville plant only had one regulatory issue in 2011, which was a result of the ongoing construction. The staff reports that the Lakeville plant has continued to meet permit requirements, insuring the safety of the environment is maintained throughout 2012.
- b) Avoiding overflows - LCWSA has an active Inflow and Infiltration program and an overflow prevention program. Every five years, each pipe section is cleaned and videotaped. Management then evaluates each section for needed repairs and develops the annual Inflow and Infiltration program for repairs. In 2012, staff cleaned and televised 30,200 lf of sewer main. Also in 2012, installation of two link pipe sealer sleeves on Grove and Main Street. Also lined 360 lf of sewer on North Street.

Goal- Provide efficient water and sewer services.

The following outlines what the LCWSA is doing to achieve this goal:

- To provide efficient service is to be "productive without waste." It is our goal for all staff to be productive without waste. Several projects the LCWSA has implemented have led to more efficient practices.
- a) Operations and Administration procedures development - This is an ongoing effort to standardize activities and to insure correct procedures are followed, resulting in less repeated activities.
 - b) Electronic monitoring of water and sewer systems - The observation of mechanical equipment has been reduced from an 8-hour activity for two people, to a 1/2-hour activity for one person, utilizing electronic monitoring.
 - c) Predictive maintenance - The evaluation of data gathered by staff, provide direct maintenance and replacement procedures for our pump stations. Using predictive tools pinpoints issues faster, so that larger issues can be avoided.
 - d) LCWSA utilizes simple (timers) to complex (multi-step controllers) to automate operations in both sewer and water systems. Over time, more of this technology will be utilized to make jobs more efficient.
 - e) Training – Staff training has aided in the blending of water and sewer positions, thereby increasing efficiency.

Goal – Provision of reliable and environmentally sustainable sewer and water service

The following outlines what the LCWSA is doing to achieve this goal:

- a) Reliability of water and sewer systems is built by a 2-fold approach:

First - Backup systems and emergency operations

LCWSA sewer and water systems provide "belts" and "suspenders" backup systems for most critical systems.

“Belts”- 2 pump systems - each pump station is able to meet the needs for that station, utilizing one pump, with the second for backup and unusual situations. Also, most critical pump stations have a back-up system for controls, utilizing a mechanical system if the electronic system fails.

“Suspenders” - Backup power - all critical pump stations have back-up power and may also have double back-up with installation of "plug-ins" for portable generators.

Second - Preventative maintenance

LCWSA is striving to move maintenance from emergency or failure maintenance to preventative maintenance, thus increasing the reliability of our systems. The LCWSA is doing this with the computerization of maintenance to allow the staff pinpointing of issues right in the field. The LCWSA has also implemented replacement programs that are set on a schedule that will help us avoid failure of equipment.

- b) Environmentally sustainable water and sewer service –

Sustainability practices are viewed as those practices that work at the root of an issue to solve it in a conclusive and environmental manner:

1. Education of our customers through water quality reports which highlight how to conserve water, or educational flyers on what not to flush into the sewer system.
2. Implementation of capital repair and replacement programs to replace inefficient equipment with energy-saving equipment.
3. Electrical usage tracking by staff identifies abnormalities in energy use. This program helps us deal with equipment issues before they become a big problem.

Goal- Affordable provision of water and sewer services

The following outlines what the LCWSA is doing to achieve this goal:

- a) MEGA - Savings and stability in utility costs are provided through our membership in the MEGA organization. This membership joins municipalities together to purchase electric and gas service as a group, thus providing us purchasing power and ultimately, lower costs.
- b) Leak detection program – This program saves on the purchase of water costs, keeping costs stable. The lost water has been reduced to 15%.
- c) Utilization of methane gas - The treatment of sewer sludge generates methane gas, which is utilized in the treatment process to provide the fuel for the boiler to heat the digesters. Utilization of this gas provides cost savings.
- d) Purchasing practices – LCWSA staff utilizes multiple quotes in purchase of items other than state bid items and local bids. This provides assurance that prices are competitive.
- e) Staff analysis of electrical usage over time, water consumption verses retail sales and fuel usage, have led to savings because problems have been identified.

Goal – High quality customer service

The following outlines what the LCWSA is doing to achieve this goal:

- a) Universal application of LCWSA rules to every customer in a consistent, respectful manner. No special favors.
- b) Providing accurate information to customer questions.
- c) Assisting customers in solving problems
- d) Being on time for appointments.
- e) The LCWSA website gives customers useful information on many topics of interest.

Goal – Reliable reporting

- a. Meeting reporting rules, requirements and recommendations of the following regulatory agencies:
 - i. NYS Authority Board Office
 - ii. GASB/FASB account rules
 - iii. NYSDEC
 - iv. NYSDOH
 - v. USEPA
- b. Assessment of operating and financial measurement reports on a regular basis by the Board and senior staff to ascertain whether goals are being met.



"Jessica R. Murray"
<jmurray@BoylanBrown.com
>

12/28/2007 03:18 PM

To <cmuscarella@co.livingston.ny.us>

cc

bcc

Subject RE: Filing at the Clerks office

Dear Cathy,

The items that have to be filed at the County Clerk's Office, according to subdivision 22 of the enabling legislation, are:

"Rules and regulations for the conservation, preservation and protection of the authority's water supply,"

"Rules for the sale of water or collection of sewage and the collection of rents and charges therefor," and

Bylaws

It also refers to rules and regulations adopted pursuant to subdivision 11, but I think they actually meant subdivision 12, which are "watershed rules and regulations" to conserve, preserve and protect the water supply to the district (not very different from the first item listed above).

It only refers to "rules and regulations" having to be filed, and if you have policies that don't fit into those categories, those don't need to be filed (employment policies, for example). I would be happy to discuss with you and/or Judy particular policies if you aren't sure.

Happy 2008!

Jessica

-----Original Message-----

From: cmuscarella@co.livingston.ny.us
[mailto:cmuscarella@co.livingston.ny.us]
Sent: Friday, December 07, 2007 2:30 PM
To: Jessica R. Murray
Subject: Filing at the Clerks office

Hi Jessica, Judy is working to organize the policies and we were wondering if you could help us define what policy etc need to be filed at the County Clerks office based on your reading of our legislation.

Cathy

Section 2800(2) of Public Authorities Law requires public authorities to submit a report or reports that includes, among other requirements, an assessment of the effectiveness of the public authority's internal control structure and procedures. The NYS Authority Board believes that it is the responsibility of Authority management to establish an internal control structure and, through its managers to assess the adequacy of those control systems on an annual basis. Also, that management should not rely exclusively on the independent auditor to assess the effectiveness of existing internal controls or to identify any potential weaknesses in those controls, even if such an assessment is performed as part of the independent audit. A program of internal control review should be a function of management.

All board members, management and personnel are responsible for internal controls.

Internal control is broadly defined as a process, effected by the LCWSA board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws & regulations

The first category addresses the basic service objectives of the LCWSA, including performance & revenue goals while safeguarding resources. The second relates to preparation of reliable published financial statements. The third deals with complying with those laws & regulations to which the entity is subject. These are distinct but overlapping categories.

Internal control can be judged effective in each of the categories if the board of directors and management have reasonable assurance that:

- They understand the extent to which the entity's operations objectives are being achieved
- Financial statements are being prepared reliably
- Applicable laws & regulations are being complied with

Internal control consists of five interrelated components:

1. Control Environment

The control environment is the foundation for all the other components, providing discipline and structure. Control environment factors include integrity, ethical values and competence of the entity's people; management's philosophy and operating style; the way management assigns authority and responsibility, and organizes and develops its people; and attention and direction provided by the board of directors.

2. Risk Assessment

There are a variety of risks from external and internal sources that must be identified and assessed. A precondition to risk assessment is establishment of objectives, linked at different levels of operations and internally consistent. Risk assessment is the

identification and analysis of relevant risks to achievement of objectives, forming a basis for determining how the risks should be managed. Operating conditions continually change and mechanisms are needed to identify and deal with any risks associated with these changes.

3. Control Activities

Control activities are the policies and procedures developed to help ensure that management objectives are carried out. They help ensure that necessary actions are taken to address risks to achievement of the Authority's objectives. Control activities occur at all level and in all functions. They include such activities as approvals, authorizations, verifications, reconciliation's, and review of operating performance, security of assets and segregation of duties.

4. Information and Communication

Pertinent information must be identified, captured and communicated in a form and timeframe that enables people to carry out their responsibilities. Effective communication must occur at all levels. All personnel must receive a clear message from top management that control responsibilities must be taken seriously. Everyone needs to understand their own role in the internal control system, as well as how individual activities relate to the work of others. They must have a means of communicating significant information. There also needs to be effective communication with external parties, such as customers, suppliers, and regulators.

5. Monitoring

Internal control systems need to be monitored to assess the quality of the system's performance over time. This occurs in the course of operations. It includes regular management and supervisory activities, and other actions personnel take in performing their duties. The scope of separate evaluations depends primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures. Internal control deficiencies should be reported immediately to management, with serious matters reported to top management and the board.

All five of the above conditions must be present and functioning effectively to conclude that internal control over operations is effective.

The following charts & related questionnaires are completed annually by management to ensure the path, via internal controls, to help the LCWSA get to where it wants to go, and avoid pitfalls and surprises along the way as much as possible. A guiding chart of associated objectives and risks to help management in completing these annual questionnaires precludes each questionnaire.

- Control Environment
- Risk Assessment
- Cash Receipt Cycle
- Accounts Receivable Cycle
- Purchasing/Accounts Payable Cycle
- Inventory cycle
- Fixed Asset Cycle

LCWSA - Self Assessment of Internal Control

Control Environment

Objectives and Risks

<u>Objectives</u>	<u>Risks</u>
Management attitude recognizes the importance of & commitment to the establishment & maintenance of a strong system of internal control as communicated to employees through actions & words.	-Employees unaware of internal control. -Lack of approved policies and procedures to be followed by personnel.
Organizational structure units are clearly defined to perform the necessary functions & determine that appropriate reporting relationships have been established.	-Organization chart will not be current. - Employees unaware of reporting relationship in the organizational structure. -Duplication of functions by units.
Personnel are qualified & properly trained for the functions in order for control & procedures to operate in the manner intended.	-Personnel not qualified to perform tasks assigned. -Personnel not adequately trained. -Lack of continuing education for personnel. -Job descriptions not coordinated with actual job performances.
Delegation of authority or limitation of authority exists to provide assurances that responsibilities are effectively discharged.	-One employee controls all phases of a transaction. -Management goals are not communicated to staff employees. -Duplication of functions by employees.
Policies & procedures that are documented provide a basis for reviews, follow-up evaluations & audits.	-Functions are not performed uniformly among units. -Statutory requirements not being met. -Lack of support for functions & transactions performed.
Budgetary & reporting practices provide benchmarks by which management can measure accomplishments.	-Management does not have guidelines to measure performance. -Management cannot communicate expectations to the organizational units. -Unusual transactions or events will not be detected. -Management cannot determine if goals are being achieved.
Organizational checks & balances provide authority for certain functions that minimize the potential for waste, loss or misuse of assets.	-These functions will not perform their responsibilities; therefore the potential for waste, fraud & abuse is present.

Self Assessment of Internal Control

Control Environment

Agency _____

Fiscal Year Ending _____

<u>YES</u>	<u>N/A</u>	<u>NO</u>		
				A. Control Activities / Information and Communication
			1.	Are there written policies and internal operating procedures that have been approved by the governing body or top management?
			2.	Has the Code of Professional Ethics been made available to all employees with financial responsibilities?
			3.	Have transactions been executed in accordance with integrity and ethical values/ codes?
			4.	Are procedures documented, kept current and readily available for use by all employees?
				B. Commitment to Competence
			5.	Are responsibilities clearly defined in writing and communicated?
			6.	Does management understands the knowledge and skills required to accomplish tasks?
			7.	Does management get involved in training?
				C. Management's Philosophy and Operating Style
			8.	Does management use budget, spending plans, etc. to review the agency's performance?
			9.	Are principal accounting records and accounting employees at all locations under the supervision of the principal accounting officer?
			10.	Does management actively follow-up on complaints from customers/clients?
			11.	Are policies and procedures consistent with statutory authority?
			12.	Is the budget system and the planning process integrated?
			13.	Are periodic (monthly, quarterly) reports on the status of actual to budget performance prepared and reviewed by top management?
			14.	Are unusual variances between budget and actual examined?

			15.	Are operations made in accordance with statutes governing the public entity?
			16.	Is the internal control structure supervised and reviewed by management to determine if it is operating as intended?
			17.	Does the agency compare its actual performance with its goals and objectives?
			18.	Does the agency have a functioning internal audit staff to review the operations of the agency?
			19.	Does the internal audit staff report to an official independent of the operations under review?
				D. Organizational Structure
			20.	Are there written policies and procedures for all major areas of the organization?
			21.	Are procedures reviewed annually for possible updating?
			22.	Is there an organization chart clearly defining the lines of management authority and responsibility?
			23.	Is the organization chart current and accurate?
			24.	Does the organization chart enhance work performance?
			25.	Are all the agency's operations centralized or decentralized?
			26.	If decentralized, is monitoring of the areas adequate?
				E. Assignment of Authority and Responsibility
			27.	Has management provided resources to ensure compliance with grant requirements and federal and state laws?
			28.	Are sufficient training opportunities to improve competency and update employees on new policies and procedures available?
			29.	If known areas of knowledge are limited, has help been enlisted from peers, auditors or outside consultants to identify alternatives and suggest solutions?
			30.	Have managers been provided with clear goals and direction from the governing body or top management?
			31.	Are responsibilities divided so that no single employee controls all phases of a transaction?
				F. Human Resource Policies and Practices
			32.	Are competent personnel recruited?
			33.	Are accurate, up-to-date-position descriptions available?
			34.	Are managers and employees held accountable for satisfactory completion of performance elements?
			35.	Do all supervisors and managers have at least a

				working knowledge of the State's personnel policies and procedures?
			36.	Does each supervisor and manager have a copy or access to a copy of the State's personnel policies and procedures?
			37.	Does management ensure compliance with personnel policies and procedures concerning hiring, training, promoting, and compensating employees?
			38.	Has management established backup plans for sudden or significant changes in personnel?
			39.	Are supervisors readily available to help personnel with non-routine problems?
			40.	Do the internal auditors meet the minimum qualifications for the positions they hold?
			41.	Are external audits performed on a periodic basis?

LCWSA - Self Assessment of Internal Control

Fixed Asset Cycle

Objectives and Risks

Objectives	Risks
All fixed asset transactions are initiated by authorized individuals in accordance with established criteria.	<ul style="list-style-type: none">-Fictitious purchases or payments to contractors or suppliers, with or without kickbacks to employees.-Purchases from vendors whose interests are in conflict with the organization.-Purchases of unnecessary assets.-Disposal or scrapping of serviceable assets.-Purchases of assets which do not meet established quality standards.
Advance approval is obtained for all significant fixed asset transactions.	<ul style="list-style-type: none">-Unauthorized purchases, construction contracts or leases with companies or individuals related to executive or legislative representatives.-Purchases from related parties without the knowledge of senior officials.-Delay or cancellation of a project due.-Expenditures in excess of originally approved amounts without review and approval.
Adequate project cost records are maintained, & in-progress and completed project reports are issued.	<ul style="list-style-type: none">-Actual costs that exceed budgeted amounts.-Overpayments to contractors.-Misclassification of costs between capital & operating budgets.
All fixed assets are accurately recorded in detail records & compared with existing assets at reasonable intervals. All fixed assets are adequately safeguarded.	<ul style="list-style-type: none">-Use of equipment or other assets for other than the Authority's benefit.-Theft of tools & equipment, maintenance or supply parts.-Payment of insurance on assets no longer owned.-Unauthorized disposals of assets or diverted proceeds from sales of assets.-Physical loss of assets through inadequate security or insurance coverage.-Continued ownership of obsolete or otherwise nonproductive assets.-Preparation of financial statements not accurately reflecting existing assets.
All fixed assets transactions are properly accumulated, classified & summarized in the general ledger accounts as appropriate.	<ul style="list-style-type: none">-Violations of loan covenants &/or rules & regulations of various grantor agencies.-Financial or operational decisions based upon erroneous information.-A misstatement of reported financial position & results of operations.

Self Assessment of Internal Control

Fixed Asset Cycle

Agency _____

Fiscal Year Ending _____

<u>YES</u>	<u>N/A</u>	<u>NO</u>		
				A. Control Activities / Information and Communication
			1.	Is there a formal organizational chart defining the responsibilities of purchasing, receiving, recording, approving and keeping the perpetual inventory?
			2.	Are there formal written procedures for performing a physical inventory?
			3.	Are fixed asset records maintained that adequately classify and identify individual items?
			4.	Are assets believed to be missing, stolen or vandalized reported to the appropriate authorities?
			5.	Are the Fixed Asset System and appropriate accounts reconciled periodically as appropriate?
			6.	Are construction records adequate to accumulate costs associated with constructed fixed assets including force (in- house) labor and materials obtained from inventory?
			7.	Is the individual responsible for fixed assets notified when:
				a. assets are received?
				b. assets are donated?
				c. asset location changes are made?
				d. assets are transferred to State Surplus Property?
				e. assets are sold?
				f. assets are vandalized or stolen?
				g. assets are reassigned to a different organizational entity or to another agency?
			8.	Are gains or losses properly recognized from disposals of fixed assets in proprietary fund types and trust funds?
			9.	Are fixed assets tagged when procured?
			10.	Are property records reconciled periodically to property accounts?
			11.	Are the beginning balances, additions, disposals and ending balances properly reflected in the notes to the

			financial statements as appropriate?
		12.	Are fixed asset additions properly valued?
			a. Is the total purchase price, less discount and any expenditure required to place asset in its intended state of operation the amount capitalized?
			b. Does the recorded asset cost of land purchases include: purchase price, legal and title fees, surveying fees, appraisal and negotiation fees, damage payments, and site preparation costs?
			c. Does the recorded asset cost of buildings include: purchase price, contract price or job order costs plus any other expenditures necessary to put a building or structure into its intended state of operation, including professional fees, damage claims, cost of fixtures, insurance premiums, interest, and related costs incurred during the period of construction? Are maintenance costs expensed rather than capitalized?
		13.	Are the following duties generally performed by different people:
			a. Custodian of the fixed assets
			b. Reconciliation of the Fixed Asset System with the control accounts, physical inventory with perpetual inventory records, etc.
			c. Recording of transactions and significant events such as transfers and disposals of assets?
			d. Authorization of fixed asset transactions.
		14.	Are all asset purchases and receipts approved by a designated person with proper authority?
		15.	Are all disposals of property approved by a designated person with proper authority?
		16.	Are all assets tagged?
		17.	Is someone assigned custodial responsibility by location for all assets?
		18.	Is access to the perpetual fixed asset records limited to authorized individuals?
		19.	Is there adequate physical security surrounding the fixed asset items?
		20.	Is there adequate insurance coverage of the fixed asset items?
			B. Monitoring
		21.	Is insurance coverage independently reviewed periodically?
		22.	Is a physical inventory taken at least annually?
		23.	Is a physical inventory of capitalized assets and inventoried items taken each time there is a change at a management or supervisory level that has

				responsibility for the assets?
			24.	Are missing items investigated and reasons for them documented?

LCWSA - Self Assessment of Internal Control

Inventory Cycle

Objectives and Risks

Objectives	Risks
All transactions are approved by authorized individuals.	-Purchase unauthorized materials acquired in excess of need, at inappropriate prices, or on unfavorable terms.
All inventory items are subject to effective custodial accountability procedures and physical safeguards.	-Theft by employees or outsiders; inadequate insurance coverage.
All receipts and withdrawals of inventory are properly recorded and the records reflect actual quantities on hand.	-No basis for comparing actual usage with expected usage; inability to determine material reorder points.
All transactions are properly accumulated, classified and summarized in the accounts.	-Misstated financial statements; concealment of shortages.

Self Assessment of Internal Control

Inventory Cycle

Agency _____

Fiscal Year Ending _____

<u>YES</u>	<u>N/A</u>	<u>NO</u>		
				A. Control Activities / Information and Communication
			1.	Is there a formal organizational chart defining the responsibilities of ordering, accepting, approving, processing and recording of the inventory?
			2.	Are policies established to ensure that inventories are not stockpiled or to prevent over-ordering?
			3.	Are policies established to ensure that adequate provision for surplus or disposal of obsolete and inactive items in inventory?
			4.	Are steps documented to ensure that goods received are accurately counted and examined to see that they meet quality standards?
			5.	Does the agency maintain perpetual inventory records and are all inventory items put on the perpetual inventory system?
			6.	Are written instructions given and explained to all personnel involved in the physical count of the inventory?
			7.	Is there a proper cut-off of receipts and issues from inventory at year end?
			8.	Is the accounting department notified (by issuing a receiving report) immediately upon the receipt of goods?
			9.	Are entries to perpetual inventory records made timely upon the receipt of goods?
			10.	Are receiving reports or vendor invoices used to record purchases to the perpetual inventory records?
			11.	When issuing inventory, is the proper fund, purpose, and object charged in the general ledger?
			12.	Are the following duties generally performed by different people:
				a. Custody of inventory: receiving and issuing inventor.
				b. Taking the physical inventory.
				c. Reconciling inventory results to accounting records.

				d. Recording related transactions and significant events in the accounting system.
			13.	Are work orders or requisitions required to be approved by appropriately designated officials as a basis of issuing inventories?
			14.	Are adjustments to inventory records approved by a properly designated official?
			15.	Is there adequate physical security surrounding inventories?
			16.	Is access to inventory locations limited?
			17.	Is there enough insurance for significant inventories?
			18.	Are all employees responsible for inventories adequately bonded?
			19.	Does the person receiving the goods sign the requisition as evidence of receipt?
			20.	Are the approved and completed requisitions kept on file?
			21.	Are physical Inventories:
				a. supervised by someone independent of the custodial or record keeping functions?
				b. made by or tested by employees independent of the department being inventoried?
				c. recorded on permanent inventory count sheets signed and dated by the person taking the count?
				d. planned to provide provisions for cut-off of receipts and issues?
				e. reflected in the perpetual records based on the actual inventory quantities?
			22.	Are pre-numbered tags used during the physical inventories count?
			23.	Is access to the perpetual inventory records limited to authorized individuals?
				B. Monitoring
			24.	Is a physical inventory taken at least annually?
			25.	Are perpetual inventory balances reconciled against the general ledger control accounts at least annually?
			26.	Does management periodically check inventory reports / records?
			27.	Are deviations of reports followed up by management in a timely manner?
			28.	Does management reassess inventory policies and procedures periodically?

LCWSA - Self Assessment of Internal Control

Purchasing/Accounts Payable Cycle

Objectives and Risks

Objectives	Risks
All requests for goods and services are initiated and approved by authorized individuals, and are in accordance with budget and appropriation guidelines.	<ul style="list-style-type: none"> -Purchases from unauthorized vendors. -Purchases are in violation of a conflict of interest policy. -Purchases are not timely. -Purchases not in accordance with budget and/or appropriations provisions.
All purchase orders are based on valid, approved requests and are properly executed as to price, quantity and vendor.	<ul style="list-style-type: none"> -Payment in excess of optimum price. -Quantities not adequate or in excess of need. -Quality of materials or services received or substandard.
All materials and services received agree with the original orders.	<ul style="list-style-type: none"> -Payment for materials or services not received. -Damaged or missing goods not reported. -Inferior quality of materials or services received.
All invoices processed for payment represent goods and services received and are accurate as to terms, quantities, prices and extensions; account distributions are accurate and agree with established account classifications.	<ul style="list-style-type: none"> -Payment based on improper price or terms. -Accounting distribution of cost is inaccurate.
All checks are prepared on the basis of adequate and approved documentation, compared with supporting data and properly approved, signed and mailed. - Incorrect or duplicate payments.	<ul style="list-style-type: none"> -Alteration of checks. -Disbursement for materials or services not properly documented or approved.
All disbursement, accounts payable, encumbrance transactions are promptly and accurately recorded as to payee and amount.	<ul style="list-style-type: none"> -Improper cash, accounts payable, and encumbrance balances.
All entries to accounts payable, reserve for encumbrances, asset and expense accounts and cash disbursements are properly accumulated, classified and summarized in the accounts.	<ul style="list-style-type: none"> -Misstated financial statements. -Misstated internal financial data. -Inoperable budgetary control.
Division of Purchases policies are followed in procurement, sufficient competitive bids/quotes are obtained and the State receives the best possible price -Purchasing policies violated.	<ul style="list-style-type: none"> -Insufficient opportunity for potential bidders/suppliers. -State pays unnecessarily high price for goods or services. -Goods procured are of lower quality than those for same or lower price. -Loss of funds from procurement fraud.

Self Assessment of Internal Control

Purchasing / Accounts Payable Cycle

Agency _____

Fiscal Year Ending _____

<u>YES</u>	<u>N/A</u>	<u>NO</u>		
				A. Control Activities / Information and Communication
			1.	Is there a formal organizational chart defining the responsibilities of preparing, recording, approving and follow up of all purchases and accounts payable functions?
			2.	Is a written policy established to ensure that the best possible price is obtained for purchases not made from state contract?
			3.	If construction contracts are awarded, are bid and performance bonds as well as retainage required to assure performance?
			4.	Are procedures established to identify, before purchase orders are issued, cost and expenditures not allowable under grant federal/state) programs?
			5.	If a receiving department is not used, do adequate procedures exist to ensure that goods for which payment is to be made have been verified and inspected by someone other than the individual approving payment?
			6.	Do procedures exist ensuring accurate account distribution of all entries resulting from invoice processing?
			7.	Do procedures exist for disbursement approval and check-signing?
			8.	Has the agency established procedures to ensure that all voided checks are properly accounted for and effectively canceled?
			9.	Has an effective small purchase or emergency purchase policy been documented and implemented?
			10.	Do invoice processing procedures provide for:
				a. Obtaining copies of requisitions, purchase orders and receiving reports as applicable?
				b. Comparison of invoice quantities, prices, and terms with those indicated on the purchase order?
				c. Comparison of invoice quantities with those indicated

				on the receiving reports?
				d. As appropriate, checking accuracy of calculations?
				e. Alteration/mutilation of extra copies of invoices to prevent duplicate payments?
				f. All file copies of invoices are stamped paid to prevent duplicate payments?
			12.	Are payments made as close to the discount date as possible?
			13.	Is splitting orders to avoid higher levels of approval prohibited?
			14.	Is an adequate record of open purchase orders and agreements maintained?
			15.	Are receiving reports prepared for all purchased goods?
			16.	Are goods received accurately counted and examined to see that they meet quality standards?
			17.	Are copies of receiving reports sent directly to purchasing or accounting?
			18.	If an invoice is received from a supplier not previously dealt with, are steps taken to ascertain that the supplier actually exists?
			19.	Are payments made only on the basis of original invoices and to suppliers identified on supporting documentation?
			20.	Are the accounting and purchasing departments promptly notified of returned purchases, and are such purchases correlated with vendor credit advices?
			21.	Is proper control maintained over vendor credit memos?
			22.	Are signed checks delivered directly to the mail room, making them inaccessible to persons who requested, prepared, authorized or recorded them?
			23.	Are monthly reconciliations performed on the following:
				a. All petty cash accounts?
				b. All bank accounts?
				c. All subsidiary accounts to the general ledger accounts?
			24.	Are the following duties generally performed by different people:
				a. Custodian of funds and disbursements.
				b. Recording disbursement activity and adjustments in subsidiary or general ledger
				c. Authorization of transactions
				d. Reconciliation of check logs, subsidiary ledger, general ledger, bank statement, etc.
			25.	Is check signing limited to only authorized personnel?

			26.	Are disbursements approved for payment only by properly designated officials?
			27.	Are travel expenses for out-of-state, out-of-country, and excess allowances approved in advance?
			28.	Are invoices (vouchers) reviewed and approved for completeness of supporting documents?
			29.	Is responsibility fixed for seeing that all cash discounts are taken and if applicable, that exemptions from sales, federal excise, and other taxes are claimed?
			30.	Is the individual responsible for approval or check-signing furnished with invoices and supporting data to be reviewed prior to approval or check-signing?
			31.	Are adjustments of recorded accounts payable or other liabilities properly approved?
			32.	Are unused checks adequately controlled and safeguarded?
			33.	Is it prohibited to sign blank checks in advance?
			34.	Is it prohibited to make checks out to the order of "cash"?
			35.	If facsimile signatures are used, are the signature plates adequately controlled and separated physically from blank checks?
			36.	Are purchases of goods and services initiated by properly authorized requisitions bearing the approval of officials designated to authorize requisitions?
			37.	Are all invoices received from vendors in a central location, such as the accounting department?
			38.	Are purchase orders pre-numbered and issued in sequence?
			39.	Are signature plates only under the signer's control and does that person, or an appropriate designee, record machine readings to ascertain that all checks signed are properly accounted for?
			40.	Are original invoices and supporting documents marked to indicate that payment has been made?
			41.	Are changes to contracts or purchase orders subject to the same controls and approvals as the original agreement?
			42.	Are there checks in the processing procedures to prevent or detect duplicate payments?
				B. Monitoring
			43.	Are transfers or loans between funds approved by management and allowable under applicable law?
			44.	Before commitment, are funds not obligated, but remaining in the budget verified as available?
			45.	Are purchase orders or contracts required to be

				approved by appropriately designated officials before issuance?
			46.	Is a government representative required to inspect construction projects before approval of payment?
			47.	Are requests for progress payments under long-term contracts related to contractors' efforts and are they formally approved by a designated contract administrator / officer with formal approval authority?
			48.	Is the coding of charges in the accounting department reviewed by a person competent to pass on the propriety of the distribution?
			49.	Are debit balances in accounts payable and other liabilities reviewed and followed up?
			50.	Are all records, checks and supporting documents retained according to the applicable (state or federal) record retention policy?
			51.	Does the accounting department record and follow up partial deliveries?

LCWSA - Self Assessment of Internal Control

Risk Assessment

Objectives and Risks

Objectives	Risks
Management attitude recognizes the importance of and commitment to the establishment and maintenance of a strong system of internal control as communicated to employees through actions and words.	<ul style="list-style-type: none">-Employees unaware of internal control.-Lack of approved policies and procedures to be followed by personnel.
Organizational structure units are clearly defined to perform the necessary functions and determine that appropriate reporting relationships have been established.	<ul style="list-style-type: none">-Organization chart will not be current.- Employees unaware of reporting relationship in the organizational structure.-Duplication of functions by units.
Personnel are qualified and properly trained for the functions in order for control and procedures to operate in the manner intended.	<ul style="list-style-type: none">-Personnel not qualified to perform tasks assigned.-Personnel not adequately trained.-Lack of continuing education for personnel.-Job descriptions not coordinated with actual job performances.
Delegation of authority or limitation of authority exists to provide assurances that responsibilities are effectively discharged.	<ul style="list-style-type: none">-One employee controls all phases of a transaction.-Management goals are not communicated to staff employees.-Duplication of functions by employees.
Policies and procedures that are documented provide a basis for reviews, follow-up evaluations and audits.	<ul style="list-style-type: none">-Functions are not performed uniformly among units.-Statutory requirements not being met.-Lack of support for functions and transactions performed.
Budgetary and reporting practices provide benchmarks by which management can measure accomplishments.	<ul style="list-style-type: none">-Management does not have guidelines to measure performance.-Management can not communicate expectations to the organizational units.-Unusual transactions or events will not be detected.-Management can not determine if goals are being achieved.

Self Assessment of Internal Control

Risk Assessment

Agency _____

Fiscal Year Ending _____

<u>YES</u>	<u>N/A</u>	<u>NO</u>		
				A. Integrity and Ethical Values
			1.	Are there written policies and internal operating procedures to identify and react to changes that can have an adverse effect on the organization?
			2.	Is there a formal or informal mission or value statement established and communicated throughout the agency?
			3.	Are objectives periodically measured against actual results?
			4.	Has management identified and analyzed entity risks relating to change, such as high turnover, new technology, new regulations, restructuring, or rapid growth?
			5.	Has management analyzed the potential monetary impact associated with financial and operational risks?
			6.	Are external resources consulted as needed to assess and address risk?

LCWSA - Self Assessment of Internal Control

Accounts Receivable Cycle

Objectives and Risks

Objectives	Risks
Ensure that appropriate records are maintained for all businesses, users of government services, and individuals or entities against whom fees are assessed.	<ul style="list-style-type: none">-Loss of revenue as a result of billing errors.-Eligible parties who have failed to file tax or other informational returns not identified.-Systems may permit unauthorized removal of customers or others from computer systems.-Employees afforded the opportunity to divert revenue to personal use.
Billing of services is performed promptly and in proper amounts; exemptions are only provided by authorized personnel.	<ul style="list-style-type: none">- Billings inaccurately or incompletely prepared.-Revenue lost due to inadequate procedures or unauthorized employee authority.
All collections are properly identified, control totals developed, and collections promptly deposited intact and applied to the proper accounts.	<ul style="list-style-type: none">-Withholding or delaying the recording of cash receipts and application of funds to the proper accounts.-Employee diversion of receipts to personal use.-Failure to transfer proper distribution of taxes collected for other governmental entities.-Amounts improperly written-off and collections diverted to personal use.
Billings, adjustments and collections are properly recorded in individuals receivable accounts.	<ul style="list-style-type: none">-Account balances reduced by unauthorized transactions.-Cash flow from payments retarded by delayed billing or deposits.
Revenues, collections and receivables are properly accumulated, classified and summarized in the accounts.	<ul style="list-style-type: none">-Errors in transaction postings to detail or control accounts not detected in a timely manner.-Tampering with account balances encouraged by knowledge that controls are ineffective.-Problem accounts do not receive prompt attention, resulting in revenue or cash-flow loss.

Self Assessment of Internal Control

Accounts Receivable Cycle

Agency _____

Fiscal Year Ending _____

<u>YES</u>	<u>N/A</u>	<u>NO</u>		
				A. Control Activities / Information and Communication
			1.	Is there a formal organizational chart defining responsibilities of preparing bills, recording their payment, collecting the accounts and follow up of accounts not paid?
			2.	Does the agency have written credit and collection policies that adequately address relevant risks?
			3.	Do procedures exist to prepare and send billings as soon after the sale of goods or performance of service as possible, but at least within the month?
			4.	Have procedures been documented to collect monies due within the established payment terms?
			5.	Are remittance advices and billings retained to support entries to accounts receivable records?
			6.	Do procedures exist to prevent the interception or alteration by unauthorized persons of billings or statements after preparation but before they are mailed?
			7.	Does the agency have established policies and procedures concerning refunds of overpayments, issuance of billing adjustments?
			8.	Are subsidiary accounts receivable and notes receivable records maintained?
			9.	Are subsidiary accounts reconciled at least monthly with the general ledger control account?
			10.	Are billings and/or statements prepared at least within the month of furnishing the goods or services?
			11.	Are the following amounts properly recorded:
				a. Amounts due from local governments?
				b. Amounts due from federal agencies?
				c. Amounts due from other departments / divisions / agencies?
				d. Amounts due from other funds?
				e. Interest Receivable?

			f. Trade Receivables?
			g. Taxes Receivable?
		12.	Are all services or goods provided to individuals or other governmental units billed when goods are provided or services rendered?
		13.	Are individual receivable records posted only from authorized documents?
		14.	Are data bases and, where appropriate, usage records accurately maintained to ensure that amounts due are billed correctly?
		15.	Are charges for goods or services based on authorized rates and approved by the appropriate State/Federal authorities?
		16.	Are statements of account balances mailed at least once a month?
		17.	Has an allowance account been established for doubtful accounts to reflect the amount of the agency's receivables that management estimates will be uncollectible?
		18.	Are accounts written off the agency's financial accounting records when all collection procedures have been exhausted without success?
		19.	Are reasons for writing off an account adequately documented?
		20.	Is the accounting department notified directly and in a timely manner of billings and collection?
		21.	Are collections on accounts receivable deposited daily?
		22.	To aid in collection, does the agency obtain the following minimum prescribed information on prospective debtors:
			a. Full name and any previous name(s) if applicable?
			b. Home and office address(es) for the past two years?
			c. Telephone numbers for home and place of employment?
			d. Federal Employer Identification Number?
			e. Social Security Number for individuals or sole proprietorships contracting with the State?
			f. For other individuals, Social Security Number and/or Driver's License Number?
			g. Date of Birth?
			h. Place and type of employment and employer's address, and previous employer if less than two years in present job?
			i. A credit bureau report may be required depending on the amount of the potential receivable and the guidelines of the agency or institution?

			23.	Are the following duties generally performed by different people:
				a. Billing, collecting, and cash application of accounts receivable funds?
				b. Maintaining detail accounts receivable records, collecting, and general ledger posting?
				c. Writing off or adjusting to accounts receivable and the maintenance of accounts receivable records?
				d. Investigating disputes with billing amounts and the maintenance of accounts receivable records?
				e. Reconciling, investigating reconciling items and posting detail accounts receivable records?
			24.	Do write-offs or adjustments have proper authorizations?
			25.	Are all collections on accounts receivable posted to individual receivable accounts?
			26.	Is access to the accounts receivable accounting system limited only to authorized individuals?
				B. Monitoring
			27.	Are corrections and adjustments to cash receipts documented and approved by a manager?
			28.	Are all non-cash credits, such as credit memos, allowances, and bad debts properly authorized?
			29.	Are there controls to ensure that individuals with delinquent accounts are not receiving additional credit?
			30.	Is an aging schedule prepared monthly and is it reviewed by a responsible manager?
			31.	Are delinquent accounts followed up?
			32.	Are all legal remedies followed to collect write-offs or uncollectible accounts?
			33.	Are rates reviewed at least annually for billed services or goods?
			34.	Are accounts periodically reviewed for propriety of transactions and balances by a person independent of cash and accounts receivable accounting?

LCWSA - Self Assessment of Internal Control

Cash Receipt Cycle

Objectives and Risks

Objectives	Risks
All collections are properly identified, control totals developed, and collections promptly deposited intact.	-Failure to record cash receipts; withholding or delaying the recording of cash receipts; diverting cash receipts after recording non-compliance with the Cash Management Act.
All bank accounts and cash on hand are subject to effective custodial accountability procedures and physical safeguards.	-Misappropriated cash or petty cash funds; diverted cash receipts unauthorized cash disbursements; loss of funds.
All transactions are promptly and accurately recorded in adequate detail records and appropriate reports are issued.	-Covering unauthorized transactions by substituting unsupported credits or fictitious expenditures to cover misappropriated collections; underfooting or overfooting cash or receivables.
All transactions are properly accumulated, correctly classified and summarized in the general ledger balances and properly and timely reconciled with bank statement balances.	-Misstating cash balances; covering unauthorized transactions by falsifying bank reconciliation.

Self Assessment of Internal Control

Cash Receipt Cycle

Agency _____

Fiscal Year Ending _____

<u>YES</u>	<u>N/A</u>	<u>NO</u>		
				A. Control Activities / Information and Communication
			1.	Is there a formal organizational chart defining responsibilities for processing and recording cash transactions?
			2.	If annual payments are involved, do procedures exist to ensure that previous years' records are properly updated for new registrants and withdrawals?
			3.	Do control procedures exist regarding the collection, timely deposit, and recording of collections in the accounting records at each collection location?
			4.	Are checks identified on the deposit slip by maker and amount?
			5.	Do the deposit slips used have an official depository bank number preprinted on the document?
			6.	Are procedures in place to establish a proper cut-off of cash receipts at the end of the fiscal year?
			7.	Are license and permit issuances reconciled to the cash receipt journal or bank deposits?
			8.	Is a mail receipts log maintained for mail receipts?
			9.	Is a mail receipts log reconciled to:
				a. The cash receipts journal?
				b. Validation certification of deposit / deposit slips?
			10.	If payments are made in person (seminars, workshops, etc.), are receipts for payment used and accounted for and balanced to deposits?
			11.	Are pre-numbered receipts issued for all cash collections and are numbers of all receipts accounted for?
			12.	Are logs of receipt book issuances maintained?
			13.	Are petty cash/change funds at the minimum effective amount?
			14.	Are all petty cash funds maintained on an imprest basis?
			15.	Are unauthorized advances from petty cash funds to employees prohibited?

			16.	Are all petty cash checks cashed promptly at the banks?
			17.	Are petty cash vouchers or bills required for all petty cash disbursements and are they pre-numbered?
				a. Are they signed by persons receiving cash?
				b. Are they approved in writing by department head or other responsible official?
				c. Are they properly supported by vendor receipts?
				d. Are they typewritten or written in ink to preclude alterations?
			18.	Are letters accompanying gifts, grants, donations, etc., retained as part of the permanent records?
			19.	Are the authorization records of the depository banks up to date?
			20.	Are receipts deposited in a timely manner?
			21.	Are the following duties generally performed by different people?
				a. Custodian of the fund.
				b. Recording receipt and disbursement activity in subsidiary or general ledger
				c. Authorization of transactions
				d. Reconciliation of fund with cash log, check register, general ledger, bank statement, etc.
			22.	Are current year receipts compared to those for prior years and budgeted receipts, and are explanations of variations reviewed by senior officials?
			23.	Is account coding indicated on expense vouchers reviewed for reasonableness by accounting personnel?
			24.	Are licenses and permits sequentially numbered and satisfactorily accounted for?
			25.	Is there adequate physical security surrounding cashing areas?
			26.	Are employees prohibited from cashing personal checks at cashing areas?
			27.	Is cash receiving centralized to the maximum extent allowed by operational necessity?
			28.	Are "audit tapes" retained for cash registers?
			29.	Is a restrictive endorsement placed on incoming checks as soon as received?
			30.	Are unused portions of receipt books required to be returned to the issuance location?
			31.	Are petty cash vouchers effectively canceled at the time of reimbursement to the fund by an individual other than the custodian?
			32.	Is a system of pre-numbered receipts with adequately controlled copies in use wherever practicable?

			33.	Are cash receipts controlled at the earliest point of receipt and kept physically secure at all times?
			34.	Are cash registers used in locations making sales of goods?
			35.	Is petty cash kept in a locked place, where only the custodian has access?
			36.	Are petty cash funds segregated from other cash?
			37.	When funds cannot be deposited daily, are the funds adequately secured overnight?
				B. Monitoring
			38.	Is effective control maintained over receipts of gifts, grants, donations, etc. and is a follow-up made by a responsible official to see that they have been classified and recorded properly?
			39.	Are funds periodically counted by a person other than the custodian at unannounced times?
			40.	Does management approve reconciliations?
			41.	Are policies documented for changes in a new system or method for accounting for cash?
			42.	Is timely corrective action taken in cash discrepancies?



GOVERNANCE COMMITTEE CHARTER

*A05-000
Updated 11/2006
Resolution 2006-44*

This Governance Committee Charter was adopted by the Board of the Livingston County Water & Sewer Authority, a public benefit corporation established under the laws of the State of New York, December 27, 2006.

Purpose

The purpose of the Governance committee is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to the LCWSA;
- Advising those responsible for appointing members to the Board on the skill, qualities and professional or educational experiences necessary to be effective Board members.

Powers of the Governance Committee

The Board Members have delegated to the governance committee the power and authority necessary to discharge its duties, as per the Bylaws of the LCWSA.

Composition and Selection

The membership of the committee shall be as set forth in accordance with and pursuant to Article E, Section 1 of the Authority's bylaws. The governance committee shall consist of no fewer than three independent members of the Board. The governance committee members shall be appointed by, and will serve at the discretion of the Board.

The governance committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

Committee Structure and Meetings

The governance committee will meet as necessary to adequately fulfill all the obligations and duties outlined in the charter. All committee members are expected to attend each meeting, in person or via telephone or videoconference. Meetings will be held per the LCWSA Bylaws.

Reports

The governance committee shall:

- Report its actions and recommendations to the Board at the next regular meeting of the Board.

Responsibilities

To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to : (a) the Authority's Board; (b) evaluation of the Authority's policies; and (c) other miscellaneous issues.

Relationship to the Authority's Board

The Board has delegated to the governance committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the governance committee has specific expertise, as follows:

- Develop the Authority's governance practices as necessary. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of members to assist the Livingston County Board of Supervisors in identifying qualified individuals.

In addition, the governance committee shall:

- Recommend to the Board the number and structure of committees to be created by the Board.
- Provide recommendations to the Board regarding board member education, including new member orientation
- Provide recommendations to the Board on performance evaluation, including coordination and oversight of such evaluation of the Board, its committees and senior management in the Authority's governance process.

Evaluation of the Authority's Policies

Review as needed:

- Code of ethics
- Policies such as (a) purchasing; (b) disposition of real or personal property
- Bylaws.

BY LAWS OF THE LIVINGSTON COUNTY WATER & SEWER AUTHORITY

Article A: Organization

- Section 1: Administration
- Section 2: Fiscal Year
- Section 3: Form of Seal
- Section 4: District of Definition

Article B: Members

- Section 1: Members
- Section 2: Qualifications of Members
- Section 3: Official Oaths
- Section 4: Vacancies
- Section 5: Filling of Vacancies
- Section 6: Removal of Member
- Section 7: Unexcused Absence
Of Member
- Section 8: Compensation of Members

Article C: Meetings

- Section 1: Annual Meeting
- Section 2: Regular Meetings
- Section 3: Special Meetings
- Section 4: Notice of Members
- Section 5: Quorum and Exercise of Powers
- Section 6: Conduct of Meetings
- Section 7: Procedure
- Section 8: Minutes

Article D: Open Meetings

- Section 1: General
- Section 2: Accessibility
- Section 3: Public Notice
- Section 4: Executive Sessions
- Section 5: Attendance

Article E: Committees

- Section 1: Committees
- Section 2: Meetings
- Section 3: Conduct of Meeting
- Section 4: Minutes

Article F: Officers

- Section 1: Officers
- Section 2: Chairperson
- Section 3: Vice-Chairperson
- Section 4: Treasurer
- Section 5: Secretary
- Section 6: Additional Duties
- Section 7: Election of Officers
- Section 8: Removal and
Vacancies

Article G: Records

- Section 1: Definitions
- Section 2: Records Required to
be Maintained

Article H: Amendment of By Laws

ARTICLE A: ORGANIZATION

Section 1: Administration; The powers, organization and administration of the Livingston County Water and Sewer Authority (the "Authority") shall be as authorized and established by the provisions of the Livingston County Water and Sewer Authority Act (the "Act"). The powers of the Authority shall be vested in the members thereof in office from time to time.

Section 2: Fiscal Year. The fiscal year of the Authority shall begin January 1 and end December 31 of each year.

Section 3: Form of Seal. The seal of the Authority shall be in such form as may be determined, from time to time, by the Authority. The seal on any Authority obligation for the payment of money may be a facsimile.

ARTICLE B: MEMBERS

Section 1: Members. The Authority shall be governed by a Board consisting of seven (7) members ("Members") appointed by resolution by the Board of Supervisors of Livingston County (the "Board of Supervisors").

Section 2: Qualifications of Members. Each member must, at the time he/she is appointed, have attained the age of eighteen years, be a citizen of the United States, a resident of New York State and resident of Livingston County.

- a) Pursuant to subdivision 3 of Section 2824 of the PAL, no Board member, including the chairperson, shall serve as the Agency's chief executive officer, executive director, chief financial officer, comptroller, or hold any other equivalent position while also serving as a member of the Board.
- b) Pursuant to subdivision 3 of Section 2825 of the PAL, all Agency Board members, officers and employees shall file annual financial disclosure statements with the Board of Ethics of the County of Livingston (the "County") pursuant to Article 18 of the GML of the State.

Section 3: Official Oaths. Each Member shall, within thirty (30) days after notice of his/her appointment or within thirty (30) days after the commencement of his/her term of office, take and subscribe to a oath or affirmation before entering the duties of his/her office.

"The oath shall be administered by the County Clerk or Assistant County Clerk of Livingston County, and shall be filed in the office of the County Clerk of Livingston County."

Section 4: Vacancies. The office of a Member shall be deemed vacant upon the happening of one of the following events before the expiration of the term thereof

- a.) The death of the Member
- b.) The resignation of the Member
- c.) The Member ceasing to be a resident of Livingston County;

- d.) The Member is convicted of a felony or a crime involving a violation of the oath of office;
- e.) The entry of a judgment or order of a court of competent jurisdiction declaring the Member to be incompetent;
- f.) The refusal or neglect of the Member to file the official oath within thirty (30) days after commencement of his/her term, except as otherwise provided by law.
- g.) The unexcused absence of a Member from three (3) consecutive regular meeting, as more fully set forth in, Article C.

Section 5: Filling of Vacancies. Vacancies occurring at the end of a term shall each be filled in the manner provided in. Section 1. above and for a three (3) year term. Vacancies occurring otherwise than by the expiration of a term shall be filled in the same manner as set forth in. Section 1. for the remainder of the unexpired term.

Section 6: Removal of Member. A Member may be removed from office by the Board of Supervisors for inefficiency, neglect of duty or misconduct in office and for the same reasons as provided by law for the removal of officers of Livingston County. Prior to removal, the Board of Supervisors shall give such Member a copy of the charges against him/her and an opportunity to be heard in person or by counsel in his/her defense, upon not less than ten (10) days notice.

Section 7: Unexcused Absence of Member. If a Member fails to attend three consecutive regular meetings of the Authority, unless such absence is for good cause and is excused by the Chairperson of the Authority, or other presiding officer. or in the case of the Chairperson of the Authority, by the Chairman of the Board of Supervisors, either prior to or subsequent to the meeting, the office may be deemed vacant for the purposes of the nomination and appointment of a successor. The Secretary of the Authority shall send a written reminder of the provisions of this Section to a Member who has two consecutive unexcused absences.

Section 8: Compensation of Members. The Officers of the Authority shall receive from the Authority such salary. if any. as shall be determined from time to time by the Board of Supervisors. Members and officers shall be reimbursed for all their actual and necessary expenses, including travel expenses, incurred in carrying out their duties. The Authority may not grant loans or extend credit to members, officers and employees of the Authority.

ARTICLE C: MEETINGS

Section 1: Annual Meeting. The first meeting in each fiscal year shall be the annual meeting of the Authority and shall be held at the time and place, within Livingston County, designated in the notice of same.

Section 2: Regular Meetings. Regular meetings of the Authority shall be held at the

time and place, designated at the annual meeting or from time to time by Resolution of the Board.

Section 3: Special Meetings. Special meetings of the Authority may be called by the “Chairperson,” “or by the Board” or shall be called by the Secretary upon the written request of at least two Members. Each special meeting shall be held at the time and place, within Livingston County, as the person calling the meeting shall determine.

Section 4: Notice of Members. No notice need be given to Members of a regular meeting of the Authority. Notice of the place, day and hour of every special meeting shall be given to each Member by delivering the notice to the Member personally or leaving the notice at his/her residence or usual place of business at least three (3) days before the meeting. No notice of an adjourned meeting of the Authority need be given to Members other than by announcement of the meeting. Notice of any meeting need not be given to any Member who submits a signed waiver of notice thereof before, at or after the meeting, nor to any Member who attends the meeting without protesting, prior to or at the commencement of the meeting, the lack of notice to him. Neither the business to be transacted at, nor the purpose of, any meeting of the Authority need be specified in any notice or written waiver of notice unless so required by these by laws or by law, except that notices of special meetings shall specify the business to be transacted.

Section 5: Quorum and exercise of powers. Four (4) Members shall constitute a quorum authorized to transact any business presented at the meeting of the Authority. All action shall be taken by the affirmative vote of at least four (4) of the Members of the Authority. When a quorum is one present to organize a meeting, it is not broken by the subsequent withdrawal of a Member. The Members present may adjourn the meeting despite the absence of a quorum.

Section 6: Conduct of Meetings. At all meetings of the Authority, the Chairperson shall be the presiding officer, or if the office of Chairperson is vacant or in the absence or disability of the Chairperson, then the Vice Chairperson shall be the presiding officer; if the office of Vice Chairperson is vacant or the Vice Chairperson is absent or disabled, the Members of the Authority shall choose a presiding officer from among those Members present, to preside at such meeting. The Secretary of the Authority, except as otherwise provided by the Authority shall act as Secretary at all meetings of the Authority, and in the absence of the Secretary or an Assistant Secretary, a temporary Secretary shall be appointed by the presiding officer.

Section 7: Procedure. The order of business and all other matters of procedure at each meeting of the Authority may be determined by the presiding officer.

Section 8: Minutes. Minutes shall be taken at all meetings of the Authority and its committees which shall consist of a record or summary of all motions, proposals, resolutions and any other matter formally voted upon and the vote thereon. Such minutes shall be available to the public in accordance with the provisions of the Freedom of Information Law. (Public Officers Law, Article 6)

ARTICLE D: OPEN MEETINGS
(PUBLIC OFFICERS LAW, ARTICLE 7)

Section 1: General. Every meeting of the Authority and its committees shall be open to the general public except for Executive Sessions.

Section 2: Accessibility. The Authority shall make or cause to be made all reasonable efforts to ensure that meetings subject to this Section are held in facilities that permit barrier-free physical access to the physically handicapped.

Section 3: Public Notice. Public notice of the time and place of all meetings subject to this Section shall be given to the news media and conspicuously posted in one or more designated public locations:

- a). At least 72 hours in advance if the meeting is scheduled at least one week prior thereto, or
- b). Otherwise, at a reasonable time prior thereto.

Section 4: Executive Sessions. Upon a vote of at least four (4) Members, taken in an open meeting pursuant to a motion identifying the general area or areas of the subject or subjects to be considered, the Authority may conduct an executive session for the below enumerated purposes only, provided, however, that no action by formal vote shall be taken to appropriate public moneys:

- a) Matter 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) Discussion 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, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation;
- g) The preparation, grading or administration of examination; and
- h) The proposed acquisition of securities, or sale or exchange of securities held by the Authority, but only when publicity would substantially affect the value thereof.
- i) "Any other reason authorized by law."

Section 5: Attendance. Attendance at an Executive Session shall be permitted to any Member and any other persons authorized by the Authority.

ARTICLE E: COMMITTEES

Section 1: Committees. The Authority may create a management committee and one or more other committees of the Authority, each consisting of three or more Members of the Authority, which committees shall serve in an advisory capacity only, and no committee shall be delegated any powers of the Authority. The Chairperson shall have the authority to appoint and remove Committee Members. Appointments to regular committees shall be made as soon as possible after the commencement of the fiscal year. Appointments to special committees shall be made at the time the committee is formed.

Section 2: Meetings. Meetings of any committee of the Authority may be held at such places within Livingston County as the committee shall determine. Regular meetings of any committee of the Authority shall be held at such times as may be determined by either the Authority or such committee, and no notice to Members of the Committee shall be required for any regular meeting. Special meetings of any committee shall be called by the Secretary of the Authority upon the request of any two Members thereof. Notice of special meetings of any committee shall be given by mailing the same, at least three (3) days before the day on which the meeting is to be held, to the address of each Member designated by him/her for such purpose (or, if none is designated by him/her for such purpose, to his/her last known address) or by delivering it personally at least twelve (12) hours in advance of the time for which the meeting is called. Notice of any meeting need not be given to any committee member who submits a signed waiver of notice thereof before, at or after the meeting of any committee need be specified in any notice or written waiver of notice unless so required by these By Laws, except that notices of special meetings shall specify the business to be transacted.

Section 3: Conduct of Meeting. The Chairperson of the committee or, in the event that the office of committee Chairperson is vacant or in the absence or disability of the committee Chairperson, such other Member of the committee as is chosen by the committee shall preside at each meeting of the committee. The Secretary of the Authority, except as otherwise provided by the Authority, shall act as Secretary at all meetings of the committee, and in the absence of the Secretary or any Assistant Secretary, a temporary Secretary shall be appointed by the Chairperson of the committee meeting.

Section 4: Minutes. All committees shall keep minutes of their meetings in accordance with, Article C, Section 8; minutes of committee meetings shall be circulated to all Members of the Authority.

ARTICLE F: OFFICERS

Section 1: Officers. The Officers of the Authority shall consist of a Chairperson, a Vice Chairperson, a Treasurer and a Secretary and such other officers as the Authority may appoint from time to time. The Chairperson, Vice Chairperson and Treasurer shall be Members of the Authority Board; the Secretary need not be a Member of the Authority. No person may hold more than one office at the same time.

Section 2: Chairperson. The Chairperson shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the Chairperson shall execute all agreements, contracts, deeds and any other instruments of the Authority. At each meeting, the Chairperson shall submit such recommendations and information considered proper concerning the business, affairs and policies of the Authority.

Section 3: Vice Chairperson. The Vice Chairperson shall, in the event of absence or disability of the Chairperson, perform all of the duties and responsibilities of the Chairperson.

Section 4: Treasurer. The Treasurer shall have the care and custody of all funds of the Authority and shall deposit or cause the same to be deposited in the name of the Authority in such banks and/or trust companies in the State of New York as designated by the Authority or invested in accordance with the Act and Section 98-a of the State Finance Law. Any deposit of such moneys shall be secured by (or guaranteed by) obligations of the United States, the State of New York, or Livingston County, of a market value equal at all times to the amount on deposit. The Treasurer shall keep or cause to be kept regular books of account showing receipts and expenditures, and shall render to the Authority as the Authority shall require an account of transactions and also of the financial condition of the Authority.

Section 5: Secretary. The Secretary shall keep the records of the Authority, including the records required to be maintained in, Article (3, Section 2 of these By Laws, shall act as secretary of the meetings of the Authority and its committees and record all votes, shall keep a record of the proceedings of the Authority in a journal of proceedings, and shall perform duties incident to the office. The Secretary shall have the power to affix the Authority seal to all contracts and other instruments authorized to be executed by the Authority. The Secretary shall provide all Members with a copy of the agenda for regular meetings two (2) days prior to the meeting to the address of each Member designated by him/her for such purpose (or, if none is designated by him/her for such purpose, to his/her last known address).

Section 6: Additional duties. The officers of the Authority shall perform such other duties and functions as may from time to time be authorized by resolution of the Authority or be required by the Authority, by the By Laws of the Authority or be the rules and regulations of the Authority. The Chairperson shall have the power to appoint, on a temporary basis until the Authority next meets, an acting Treasurer, Vice Chairperson, or Secretary in the event these positions become vacant or their office holders cannot fulfill their duties due to absence or disability.

Section 7: Election of Officers. The first officers of the Authority shall be elected at the first meeting of the Authority. Thereafter, all officers of the Authority shall be elected at the annual meeting of the Authority from among the Members of the Authority and shall hold office for one year or until the successors are elected and qualified. Nothing herein shall prevent an individual from succeeding himself/herself in office.

Section 8: Removal and vacancies. All officers serve at the pleasure of the Authority and an officer may be removed or have his/her authority suspended by the Authority at any time,

with or without cause. If an office becomes vacant for any reason, the Members of the Authority shall have the power to fill such vacancy.

ARTICLE G: RECORDS (PUBLIC OFFICERS LAW, ARTICLE 6)

Section 1: Definition. "Record means any information kept, held, filed, produced, or reproduced by, with or for the Authority, in any physical form whatsoever, including, but not limited to, reports, statements, examinations, memoranda, opinions, folders, files, books, manuals, pamphlet, forms, papers, designs, drawing, maps, photos, letters, microfilms, computer tapes or discs, rules, regulations or codes."

Section 2: Records required to be maintained. The Authority shall maintain the following records: (a) a record of the final vote of each Member in every Authority proceeding in which the Member votes, (b) a record setting forth the name, public office address, title and salary of every Member, officer or employee of the Authority, and (c) a reasonably detailed current list by subject matter of all records in the possession of the Authority.

ARTICLE H: AMENDMENT OF BY LAWS

Section 1: Amendment and Repeal. By Laws may be repealed (except where provisions of sections of the Laws of the State of New York are incorporated), amended (except where provisions of sections of the Laws of the State of New York are incorporated) or adopted by the Board.

Section 2: Filing of Bylaws. The Secretary of the Authority shall file a certified copy of the Bylaws, and any amendments thereto, with the office of the Livingston County Clerk.



1997 D'Angelo Drive
PO Box 396
Lakeville, NY 14480
Phone: (585) 346-3523
e-mail: cmuscarella@co.livingston.ny.us
F Fax: (585) 346-0954
T TTY NY: (800) 662-1220

Catherine Muscarella
Executive Director

FINAL – Privileges of the Floor

Date: October 27, 2004

Anyone wishing to have privileges of the floor at a LCWSA Board meeting must provide notice three business days before the meeting date. Notice may be given to any Board member or officer of the Board in person or via phone, fax, e-mail or mail. The Chairman of the Board may limit time and number of privileges of the floor granted at any meeting.

It is the discretion of the Chairman of the Board or majority of the Board if privileges will be granted under or outside of this policy.

Adopted Oct. 27, 2004



"abo.sm.info" To <JTravis@co.Livingston.ny.us>
 <info@abo.state.ny.us> cc
 Sent by: "Farrar, Michael (DOB)" bcc
 <Michael.Farrar@budget.state.ny.us> Subject RE: committee rules

03/16/2007 11:52 AM

History: This message has been forwarded.

Mr. Travis,

According to advisory opinions from the NY State Committee on Open Government, committees of Public Authority Boards are considered to be public entities, and are therefore also subject to the Open Meetings requirements. Additional information on this issue may be obtained from their web site <http://www.dos.state.ny.us/coog/coogwww.html>

 This e-mail, including any attachments, may be confidential, privileged or otherwise legally protected. If you have received this e-mail in error, or from someone who was not authorized to send it to you, do not disseminate, copy or otherwise use this e-mail or its attachments. Please notify the sender immediately if you have received this e-mail by mistake, and delete it from your system.

-----Original Message-----

From: JTravis@co.Livingston.ny.us [mailto:JTravis@co.Livingston.ny.us]
 Sent: Thursday, March 15, 2007 10:58 AM
 To: abo.sm.info
 Subject: committee rules

Since we have to post the notice of committee meetings (governance & audit) 72 hours in advance of the meeting I am assuming that these committee meetings also have to follow The Open Meetings Law. Can you tell me if this is true?

Thank You.



"Jessica R. Murray"
<jmurray@BoylanBrown.com
>

03/16/2007 11:23 AM

To <JTravis@co.Livingston.ny.us>

cc

bcc

Subject FW: Committees of the Board

Judy, here is the email to Cathy I referred to in my previous email.

Jessica

-----Original Message-----

From: Jessica R. Murray
Sent: Monday, October 30, 2006 11:44 AM
To: 'cmuscarella@co.livingston.ny.us'
Subject: RE: Committees of the Board

Hi Cathy,

It appears to me that the Open Meetings Law applies to meetings of the committees, so the notice requirement applies, although it does not require publication, as there are other ways to comply.

The Open Meetings Law applies to "... any entity, for which a quorum is required in order to conduct public business and which consists of two or more members, performing a governmental function for the state or for an agency or department thereof, or for a public corporation as defined in section sixty-six of the general construction law, or committee or subcommittee or other similar body of such public body." Section 102.

The notice provision (Section 104) states:

1. Public notice of the time and place of a meeting scheduled at least one week prior thereto shall be given to the news media and shall be conspicuously posted in one or more designated public locations at least seventy-two hours before each meeting.
2. Public notice of the time and place of every other meeting shall be given, to the extent practicable, to the news media and shall be conspicuously posted in one or more designated public locations at a reasonable time prior thereto.
3. The public notice provided for by this section shall not be construed to require publication as a legal notice.

Please let me know if you have any questions, or if you construe it differently.

Jessica

-----Original Message-----

From: cmuscarella@co.livingston.ny.us
[mailto:cmuscarella@co.livingston.ny.us]

Sent: Friday, October 27, 2006 9:15 AM
To: Jessica R. Murray
Subject: Committees of the Board

Hi Jessica, Do we have to publish in our official newspaper a notice that our Governance or Audit Committee is meeting?
Cathy-----

This disclosure is required by the IRS:

Tax advice in this e-mail, including any attachments, is not intended or written to be used, and cannot be used to avoid penalties imposed under the Internal Revenue Code or to promote, market or recommend to another person any tax related matter. If you would like advice that can be used for either of these purposes please contact us about what that would require.

This message is sent by a law firm and may contain information that is privileged or confidential. If you received this transmission in error, please notify the sender by reply e-mail and delete the message and any attachments.



"Jessica R. Murray"
<jmurray@BoylanBrown.com
>

03/16/2007 11:21 AM

To <JTravis@co.Livingston.ny.us>

cc

bcc

Subject RE: question please

History:

This message has been forwarded.

Judy,

The exceptions you listed are indeed the situations under the Open Meetings Law for going into executive session. It sounds like the auditor is assuming the Open Meetings Law does not apply to committees, but it does.

Here's the language of the statute, and a conforming opinion from Bob Freeman of the Committee on Open Government is attached.

§101. Short title. This article shall be known and may be cited as "Open Meetings Law".

§102. Definitions. As used in this article: 1. "Meeting" means the official convening of a public body for the purpose of conducting public business, including the use of videoconferencing for attendance and participation by the members of the public body. 2. "Public body" means any entity, for which a quorum is required in order to conduct public business and which consists of two or more members, performing a governmental function for the state or for an agency or department thereof, or for a public corporation as defined in section sixty-six of the general construction law, or committee or subcommittee or other similar body of such public body. 3. "Executive session" means that portion of a meeting not open to the general public.

I have attached an opinion of the Committee on Open Government which addresses additional grounds for entry into executive session by school board audit committees, but there is not a parallel exception for Authorities. In our case, there is no comparable exception in the Public Authorities Accountability Act. The only exception is Section 2802 (7) that provides that an authority may exempt information from disclosure or report to the extent it is covered by one of the standard exceptions to FOIL (i.e. pending litigation, personnel matters...).

I will also forward separately an email I sent to Cathy about the Open Meetings Law applying to committees.

Please let me know if you have any other questions or if the auditor has any other ideas about where he thinks an exception might come from, or if you would like me to do any additional research on this. Thanks.

Jessica

-----Original Message-----

From: JTravis@co.Livingston.ny.us [mailto:JTravis@co.Livingston.ny.us]

Sent: Thursday, March 15, 2007 10:42 AM
To: Jessica R. Murray
Subject: Fw: question please

Jessica - if you look at the email between myself & our auditor you get the idea of how this question came about?

QUESTION: Do the executive session rules apply to subcommittees of the Board? In this case the Audit Committee met & went into executive session to discuss the audit without management present just in case there were any sensitive questions concerns that needed to be raised.

Thanks Jessica!

----- Forwarded by Judy Travis/Livingston County on 03/15/2007 10:37 AM

"Randall R. Shepard" <rshepard@bonadio .com>	<JTravis@co.Livingston.ny.us>	To
03/15/2007 10:32 AM		cc
	RE: question please	Subject

Judy -

Are you sure that these rules apply to subcommittees of the Board? It sounds like they might be from the Open Meetings Law. I have not had this question raised before, and as a matter of course we have executive sessions with other public authorities. Based on the nature of the Audit Committee, to be responsible for the Audit, hire the auditor, etc., it seems within their responsibility and in fact their duty, to meet with the auditor without management present. Otherwise, the purpose for the executive session would not meet any of those items.

Thanks.

rs

Randall R. Shepard, CPA, FHFMA
Audit Principal
NFP/TE Division
The Bonadio Group

-----Original Message-----

From: JTravis@co.Livingston.ny.us [mailto:JTravis@co.Livingston.ny.us]
Sent: Thursday, March 15, 2007 9:44 AM
To: Randall R. Shepard

Subject: question please

Randy - according to our attorney, executive session can only be legally held for the following reasons & I have to pick one for the audit committee minutes - I don't know which one fits - so since it was your suggestion to enter into executive session at the audit committee meeting last nite - which one do you think I should use?

- 1 - matters which will imperil the public safety if disclosed
- 2 - any matter which may disclose the identity of law enforcement agency or informer
- 3 - information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed
- 4 - information regarding proposed, pending or current litigation
- 5 - collective negotiations pursuant to Article 24 of the Civil Service Law (the Taylor Law)
- 6 - the medical, financial, credit, to employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation
- 7 - the preparation, grading or administration of examinations
- 8 - 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.

Thanks - judy

To ensure compliance with IRS requirements, we inform you that any U.S. tax advice contained in this communication (including attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or applicable state or local tax law provisions; or (ii) promoting, marketing or recommending to another party any transaction or tax-related matter addressed herein-----

This disclosure is required by the IRS:

Tax advice in this e-mail, including any attachments, is not intended or written to be used, and cannot be used to avoid penalties imposed under the Internal Revenue Code or to promote, market or recommend to another person any tax related matter. If you would like advice that can be used for either of these purposes please contact us about what that would require.

EXECUTIVE ORDER

No 3: PROMOTION OF PUBLIC ACCESS TO GOVERNMENT DECISIONMAKING

WHEREAS, it is essential to the maintenance of a democratic society that the public business be performed in an open and public manner; and

WHEREAS, the citizens of this State be fully aware of and able to observe the performances of public officials and attend and listen to the deliberations and decisions that go into the making of public policy; and

WHEREAS, the people must be able to remain informed if they are to retain control over those who are their public servants; and

WHEREAS, the Open Meetings Law requires every meeting of a public body shall be open to the general public; and

WHEREAS, the majority of New Yorkers are unable to attend such meetings; and

WHEREAS advances in technology allow for the broadcast of meetings on the Internet through the use of webcasting;

NOW, THEREFORE, I, Eliot Spitzer, Governor of the State of New York, by virtue of the authority vested in me by the Constitution and the laws of the State of New York, do hereby order as follows:

1. Definitions

"Agency" shall mean any state agency, department, office, board, commission or other instrumentality of the State, other than a public authority.

"Public authority" shall mean a public authority or public benefit corporation created by or existing under any State law, at least one of whose members is appointed by the Governor (including any subsidiaries of such public authority or public benefit corporation), other than an interstate or international authority or public benefit corporation.

2. Requirement to Broadcast Public Meetings

Effective March 1, 2007, every agency and public authority shall submit to the Secretary to the Governor a

plan that: (a) identifies all meetings of such agency or authority that are subject to the Open Meetings Law; and (b) specifies a timetable for ensuring that all such meetings are broadcast on the Internet. Such plan may identify circumstances in which such webcasting is either impractical or inappropriate, and seek approval for exemption from the requirement for webcasting. Except in those circumstances where an exemption is granted, all agency and authority meetings that are subject to the Open Meetings Law shall be broadcast on the Internet commencing no later than July 1, 2007. Every agency and public authority shall submit a report to the Secretary to the Governor by December 31, 2007, setting forth the number of meetings webcast during the prior year, together with a summary of any comments received from the public regarding the webcasting, and any recommendations for changes or improvements to the program.

G I V E N under my hand and the Privy Seal of the State in the City of Albany this first day of January in the year two thousand seven.

Eliot Spitzer, Governor

Richard Baum, Secretary to the Governor



SUMMARY OF FILING REQUIREMENTS

Annual Report

Due Date: 90 days after end of fiscal year

Content:

1. Operations & accomplishments
2. Revenues & Expenses
3. Assets & Liabilities
4. Status of reserve & other special funds
5. Schedule of bonds/notes outstanding, incurred, & redeemed

Where to File:

- NYS Authority Budget Office
- Governor
- Senate Finance Committee, chairman
- Senate Finance Committee, ranking minority member
- Assembly Ways & Means Committee, chairman
- Assembly Ways & Means Committee, ranking minority member
- State Comptroller
- Livingston County Board of Supervisors
- Livingston County Treasurer

Public Authorities Law Reference: 2800 and 1199-ssss

Budget

Due Date: 90 days prior to start of fiscal year

Content: Budget for upcoming year, current year & actual receipts/expenses for last completed year

Where to File:

- NYS Authority Budget Office
- Governor
- Senate Finance Committee, chairman
- Senate Finance Committee, ranking minority member
- Assembly Ways & Means Committee, chairman
- Assembly Ways & Means Committee, ranking minority member

Public Authorities Law Reference: 2801

Audit Report

Due Date: 30 days after receipt from auditor

Content: Report by external auditor

Where to File:

- NYS Authority Budget Office
- Governor
- Senate Finance Committee, chairman
- Senate Finance Committee, ranking minority member
- Assembly Ways & Means Committee, chairman
- Assembly Ways & Means Committee, ranking minority member

Public Authorities Law Reference: 2802 and 1199-ssss

Note: As part of audit the 'Annual Update Document' needs to be completed on the NYS Comptroller's form. This is due to the NYS Comptroller's Office by February 28th (but a 60-day extension is typical)

Personnel Report

Due Date: January 15th

Content: Personnel service schedule indicating position, grade, salary, and title for each employee in summary form

Where to File:

- NYS Comptroller
- Senate Finance Committee, chairman
- Assembly Ways & Means Committee, chairman

A01-001

LIVINGSTON COUNTY WATER AND SEWER AUTHORITY MISSION

The Livingston County Water and Sewer Authority mission is to provide high quality, environmentally sound, efficient, reliable, and affordable water and sewer services to the people who live, work and visit Livingston County.

A1-002

BY-LAWS OF THE LIVINGSTON COUNTY WATER & SEWER AUTHORITY

Article A: Organization

- Section 1: Administration
- Section 2: Fiscal Year
- Section 3: Form of Seal
- Section 4: District of Definition

Article B: Members

- Section 1: Members
- Section 2: Qualifications of Members
- Section 3: Official Oaths
- Section 4: Vacancies
- Section 5: Filling of Vacancies
- Section 6: Removal of Member
- Section 7: Unexcused Absence
Of Member
- Section 8: Compensation of Members

Article C: Meetings

- Section 1: Annual Meeting
- Section 2: Regular Meetings
- Section 3: Special Meetings
- Section 4: Notice of Members
- Section 5: Quorum and Exercise of Powers
- Section 6: Conduct of Meetings
- Section 7: Procedure
- Section 8: Minutes
- Section 9: Privileges of the Floor

Article D: Open Meetings

- Section 1: General
- Section 2: Accessibility
- Section 3: Public Notice
- Section 4: Executive Sessions
- Section 5: Attendance

Article E: Committees

- Section 1: Committees
- Section 2: Meetings
- Section 3: Conduct of Meeting
- Section 4: Minutes

Article F: Officers

- Section 1: Officers
- Section 2: Chairperson
- Section 3: Vice-Chairperson
- Section 4: Treasurer
- Section 5: Secretary
- Section 6: Additional Duties
- Section 7: Election of Officers

Article G: Records

- Section 1: Definitions
- Section 2: Records Required to
be Maintained

Article H: Amendment of By Laws

ARTICLE A: ORGANIZATION

Section 1: Administration; The powers, organization and administration of the Livingston County Water and Sewer Authority (the “Authority”) shall be as authorized and established by the provisions of the Livingston County Water and Sewer Authority Act (the “Act”). The powers of the Authority shall be vested in the members thereof in office from time to time.

Section 2: Fiscal Year. The fiscal year of the Authority shall begin January 1 and end December 31 of each year.

Section 3: Form of Seal. The seal of the Authority shall be in such form as may be determined, from time to time, by the Authority. The seal on any Authority obligation for the payment of money may be a facsimile.

ARTICLE B: MEMBERS

Section 1: Members. The Authority shall be governed by a Board consisting of seven (7) members (“Members”) appointed by resolution by the Board of Supervisors of Livingston County (the “Board of Supervisors”).

Section 2: Qualifications of Members. Each member must, at the time he/she is appointed, have attained the age of eighteen years, be a citizen of the United States, a resident of New York State and resident of Livingston County.

- a) No Board member, including the chairperson, shall serve as the Authority’s chief executive officer, executive director, chief financial officer, comptroller, or hold any other equivalent position while also serving as a member of the Board.
- b) Pursuant to subdivision 2 of Section 2824 of the New York State Public Authorities Law (hereafter “PAL”), individuals appointed to the Board shall participate in state approved training regarding their legal, fiduciary, financial and ethical responsibilities as directors of the Authority within one year of appointment to the Board. Board Members shall participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance.
- c) Pursuant to subdivision 3 of Section 2825 of the PAL, all Authority Board members, officers and employees shall file annual financial disclosure statements with the Board of Ethics of the County of Livingston (the “County”) pursuant to Section 73-a of the New York State Public Officer’s Law.

Section 3: Official Oaths. Each Member shall, within thirty (30) days after notice of his/her appointment or within thirty (30) days after the commencement of his/her term of office, take and subscribe to an oath or affirmation before entering the duties of his/her office.

The oath shall be administered by the County Clerk or Assistant County Clerk of Livingston County and shall be filed in the office of the County Clerk of Livingston County.

At the time that each Member takes and subscribes his or her oath of office, he or she shall execute an acknowledgment in which the Board Member acknowledges that he or she understands his or her role, and fiduciary responsibilities as set forth in paragraph (g) of Section 2824 of the PAL, and acknowledges that he or she shall perform each of their duties as a Board Member in good faith and with that degree of diligence, care and skill which an ordinarily prudent person in like position would use under similar circumstances, and may take into consideration the views and policies of any elected official or body, or other person and ultimately apply independent judgment in the best interest of the Authority, its mission and the public; understands his or her duty of loyalty and care to the organization and commitment to the Authority's mission and the public interest.

Section 4: Vacancies. The office of a Member shall be deemed vacant upon the happening of one of the following events before the expiration of the term thereof

- a.) The death of the Member
- b.) The resignation of the Member
- c.) The Member ceasing to be a resident of Livingston County;
- d.) The Member is convicted of a felony or a crime involving a violation of the oath of office;
- e.) The entry of a judgment or order of a court of competent jurisdiction declaring the Member to be incompetent;
- f.) The refusal or neglect of the Member to file the official oath within thirty (30) days after commencement of his/her term, except as otherwise provided by law.
- g.) The unexcused absence of a Member from three (3) consecutive regular meeting, as more fully set forth in, Article C.

Section 5: Filling of Vacancies. Vacancies occurring at the end of a term shall each be filled in the manner provided in. Section 1 above and for a three (3) year term. Vacancies occurring otherwise than by the expiration of a term shall be filled in the same manner as set forth in. Section 1 for the remainder of the unexpired term.

Section 6: Removal of Member. A Member may be removed from office by the Board of Supervisors for inefficiency, breach of fiduciary duty, neglect of duty or misconduct in office and for the same reasons as provided by law for the removal of officers of Livingston County. Prior to removal, the Board of Supervisors shall give such Member a copy of the charges against him/her and an opportunity to be heard in person or by counsel in his/her defense, upon not less than ten (10) days notice.

Section 7: Unexcused Absence of Member. If a Member fails to attend three consecutive regular meetings of the Authority, unless such absence is for good cause and is excused by the Chairperson of the Authority, or other presiding officer, , either prior to or subsequent to the meeting, the office may be deemed vacant for the purposes of the nomination and appointment of a successor. The Secretary of the Authority shall send a written reminder of the provisions of this Section to a Member who has two consecutive unexcused absences.

Section 8: Compensation of Members. The Officers of the Authority shall receive from

the Authority such salary if any as shall be determined from time to time by the Board. Members and officers shall be reimbursed for all their actual and necessary expenses, including travel expenses, incurred in carrying out their duties. The Authority may not grant loans or extend credit to members, officers or employees of the Authority.

ARTICLE C: MEETINGS

Section 1: Annual Meeting. The first meeting in each fiscal year shall be the annual meeting of the Authority and shall be held at the time and place, within Livingston County, designated in the notice of same.

Section 2: Regular Meetings. Regular meetings of the Authority shall be held at the time and place, designated at the annual meeting or from time to time by Resolution of the Board.

Section 3: Special Meetings. Special meetings of the Authority may be called by the "Chairperson," or by the Board or shall be called by the Secretary upon the written request of at least two Members. Each special meeting shall be held at the time and place, within Livingston County, as the person calling the meeting shall determine.

Section 4: Notice to Members. No notice need be given to Members of a regular meeting of the Authority. Notice of the place, day and hour of every special meeting shall be given to each Member by delivering the notice to the Member personally, by email or by leaving the notice at his/her residence or usual place of business at least three (3) days before the meeting. No notice of an adjourned meeting of the Authority need be given to Members other than by announcement of the meeting. Notice of any meeting need not be given to any Member who submits a signed waiver of notice thereof before, at or after the meeting, nor to any Member who attends the meeting without protesting, prior to or at the commencement of the meeting, the lack of notice to him/her. Neither the business to be transacted at, nor the purpose of, any meeting of the Authority need be specified in any notice or written waiver of notice unless so required by these By-Laws or by law, except that notices of special meetings shall specify the business to be transacted.

Section 5: Quorum and exercise of powers. Four (4) Members shall constitute a quorum authorized to transact any business presented at the meeting of the Authority. All action shall be taken by the affirmative vote of at least four (4) of the Members of the Authority. When a quorum is one present to organize a meeting, it is not broken by the subsequent withdrawal of a Member. The Members present may adjourn the meeting despite the absence of a quorum.

Section 6: Conduct of Meetings. At all meetings of the Authority, the Chairperson shall be the presiding officer, or if the office of Chairperson is vacant or in the absence or disability of the Chairperson, then the Vice Chairperson shall be the presiding officer; if the office of Vice Chairperson is vacant or the Vice Chairperson is absent or disabled, the Members of the Authority shall choose a presiding officer from among those Members present, to preside at such meeting. The Secretary of the Authority, except as otherwise provided by the Authority shall act

as Secretary at all meetings of the Authority, and in the absence of the Secretary or an Assistant Secretary, a temporary Secretary shall be appointed by the presiding officer.

Section 7: Procedure. The order of business and all other matters of procedure at each meeting of the Authority may be determined by the presiding officer.

Section 8: Minutes. Minutes shall be taken at all meetings of the Authority and its committees which shall consist of a record or summary of all motions, proposals, resolutions and any other matter formally voted upon and the vote thereon. Such minutes shall be available to the public in accordance with the provisions of the Freedom of Information Law. (Public Officers Law, Article 6).

Section 9: Privileges of the Floor. Anyone wishing to have privileges of the floor at an Authority Board meeting must provide notice Seven (7) business days before the meeting date. Notice may be given to any Board Member or officer of the Board in person or via phone, text, fax, e-mail or mail. The Chairman of the Board may limit time and number of privileges of the floor granted at any meeting. It is the discretion of the Chairman of the Board or majority of the Board if privileges will be granted under or outside of this policy.

ARTICLE D: OPEN MEETINGS (PUBLIC OFFICERS LAW, ARTICLE 7)

Section 1: General. Every meeting of the Authority and its committees shall be open to the general public except for Executive Sessions or meetings by the Members with legal counsel for purposes of attorney/client privileged discussions.

Section 2: Accessibility. The Authority shall make or cause to be made all reasonable efforts to ensure that meetings subject to this Section are held in facilities that permit barrier-free physical access to the physically handicapped.

Section 3: Public Notice. Public notice of the time and place of all meetings subject to this Section shall be given to the news media and conspicuously posted in one or more designated public locations:

- a). At least 72 hours in advance if the meeting is scheduled at least one week prior thereto, or
- b). Otherwise, at a reasonable time prior thereto.

Section 4: Executive Sessions. Upon a vote of at least four (4) Members, taken in an open meeting pursuant to a motion identifying the general area or areas of the subject or subjects to be considered, the Authority may conduct an executive session for the below enumerated purposes only, provided, however, that no action by formal vote shall be taken in executive session to appropriate public moneys:

- a) Matter 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) Discussion 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, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation;
- g) The preparation, grading or administration of examination; and
- h) The proposed acquisition of securities, or sale or exchange of securities held by the Authority, but only when publicity would substantially affect the value thereof.
- i) "Any other reason authorized by law."

Section 5: Attendance. Attendance at an Executive Session shall be permitted to any Member and by any other persons authorized by the Authority pursuant to the vote to enter into such Executive Session.

ARTICLE E: COMMITTEES

Section 1: Committees. The Authority may create a management committee and one or more other committees of the Authority, each consisting of three or more Members of the Authority, which committees shall serve in an advisory capacity only, and no committee shall be delegated any powers of the Authority. The Chairperson shall have the authority to appoint and remove Committee Members. Appointments to regular committees shall be made as soon as possible after the commencement of the fiscal year. Appointments to special committees shall be made at the time the committee is formed.

- a) For the purposes of this section, an independent member is one who:
 - 1) is not, and in the past two years has not been, employed by the Authority in an executive capacity;
 - 2) is not, and in the past two years has not been, employed by an entity that received remuneration valued at more than fifteen thousand dollars for goods and services provided to the Authority or received any other form of financial assistance valued at more than fifteen thousand dollars from the Authority;
 - 3) is not a relative of an executive officer or employee in an executive position of the Authority; and
 - 4) is not, and in the past two years has not been, a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Authority or an affiliate.
- b) Pursuant to PAL Section 2824 subsection 4, the Members shall establish and maintain an Audit Committee to be comprised of not less than three independent Members, who shall constitute a majority on the Committee, and who shall possess the necessary skills to understand the duties and functions of the Audit Committee; provided, however, that in the event that the Board has less than three independent Members, the Board may appoint non-independent Members to the Audit Committee, provided that the independent Members must constitute a majority of the Members of

- the Audit Committee. The Committee shall recommend to the Board the hiring of a certified independent accounting firm for the Authority, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes. Members of the Audit Committee shall be familiar with corporate financial and accounting practices.
- c) Pursuant to PAL Section 2824 subsection 6, the Members shall establish and maintain a Governance Committee to be comprised of not less than three independent Members, who shall constitute a majority on the Committee, and who shall possess the necessary skills to understand the duties and functions of the Governance Committee; provided, however, that in the event that a Board has less than three independent Members, the Board may appoint non-independent Members to the Governance Committee, provided that the independent Members must constitute a majority of the Members of the Governance Committee. It shall be the responsibility of the Members of the Governance Committee to keep the Board informed of current best governance practices; to review corporate governance trends; to recommend updates to the Authority's corporate governance principles; to advise appointing entities on the skills and experiences required of potential Board Members; to examine ethical and conflict of interest issues; to perform Board self-evaluations; and to recommend by-laws which include rules and procedures for conduct of Board business; and
 - d) Pursuant to PAL Section 2824 subsection 8, because the Authority does periodically issue debt, the Members shall establish and maintain a Finance Committee to be comprised of not less than three independent Members, who shall constitute a majority on the Committee, and who shall possess the necessary skills to understand the duties and functions of the Committee; provided, however, that in the event that a Board has less than three independent Members, the Board may appoint non-independent Members to the Finance Committee, provided that the independent Members must constitute a majority of the Members of the Finance Committee. It shall be the responsibility of the Members of the Finance Committee to review proposals for the issuance of debt by the Authority and its subsidiaries and make recommendations.

Section 2: Meetings. Meetings of any committee of the Authority may be held at such places within Livingston County as the committee shall determine. Regular meetings of any committee of the Authority shall be held at such times as may be determined by either the Authority or such committee, and no notice to Members of the Committee shall be required for any regular meeting. Special meetings of any committee shall be called by the Secretary of the Authority upon the request of any two Members thereof. Notice of special meetings of any committee shall be given by mailing or emailing the same, at least three (3) days before the day on which the meeting is to be held, to the address or email address of each Member designated by him/her for such purpose (or, if none is designated by him/her for such purpose, to his/her last known address) or by delivering it personally at least twelve (12) hours in advance of the time for which the meeting is called. Notice of any meeting need not be given to any committee member who submits a signed waiver of notice thereof before, at or after the meeting of any

committee need be specified in any notice or written waiver of notice unless so required by these By-Laws, except that notices of special meetings shall specify the business to be transacted.

Section 3: Conduct of Meeting. The Chairperson of the committee or, in the event that the office of committee Chairperson is vacant or in the absence or disability of the committee Chairperson, such other Member of the committee as is chosen by the committee shall preside at each meeting of the committee. The Secretary of the Authority, except as otherwise provided by the Authority, shall act as Secretary at all meetings of the committee, and in the absence of the Secretary or any Assistant Secretary, a temporary Secretary shall be appointed by the Chairperson of the committee meeting.

Section 4: Minutes. All committees shall keep minutes of their meetings in accordance with, Article C, Section 8; minutes of committee meetings shall be circulated to all Members of the Authority.

ARTICLE F: OFFICERS

Section 1: Officers. The Officers of the Authority shall consist of a Chairperson, a Vice Chairperson, a Treasurer and a Secretary and such other officers as the Authority may appoint from time to time. The Chairperson, Vice Chairperson and Treasurer shall be Members of the Authority Board: the Secretary need not be a Member of the Authority. No person may hold more than one office at the same time.

Section 2: Chairperson. The Chairperson shall preside at all meetings of the Authority. Except as otherwise authorized by resolution of the Authority, the Chairperson shall execute all agreements, contracts, deeds and any other instruments of the Authority. At each meeting, the Chairperson and/or the Executive Director shall submit such recommendations and information considered proper concerning the business, affairs and policies of the Authority.

Section 3: Vice Chairperson. The Vice Chairperson shall, in the event of absence or disability of the Chairperson, perform all of the duties and responsibilities of the Chairperson.

Section 4: Treasurer. The Treasurer shall have the care and custody of all funds of the Authority and shall deposit or cause the same to be deposited in the name of the Authority in such banks and/or trust companies in the State of New York as designated by the Authority or invested in accordance with the Section 2925 of the PAL and Section 98-a of the New York State Finance Law. Any deposit of such moneys shall be secured by (or guaranteed by) obligations of the United States, the State of New York, or Livingston County, of a market value equal at all times to the amount on deposit. The Treasurer shall keep or cause to be kept regular books of account showing receipts and expenditures, and shall render to the Authority as the Authority shall require an account of transactions and also of the financial condition of the Authority.

Section 5: Secretary. The Secretary shall keep the records of the Authority, including the records required to be maintained in, Article C3, Section 6 of these By-Laws, shall

act as Secretary of the meetings of the Authority and its committees and record all votes, shall keep a record of the proceedings of the Authority in a journal of proceedings, and shall perform duties incident to the office. The Secretary shall have the power to affix the Authority seal to all contracts and other instruments authorized to be executed by the Authority. The Secretary shall provide all Members with a copy of the agenda for regular meetings no less than two (2) days prior to the meeting to the email address of each Member designated by him/her for such purpose. The Secretary shall provide a paper copy any Member requesting such.

Section 6: Additional duties. The officers of the Authority shall perform such other duties and functions as may from time to time be authorized by resolution of the Authority or be required by the Authority, by the By Laws of the Authority or be the rules and regulations of the Authority. The Chairperson shall have the power to appoint, on a temporary basis until the Authority next meets, an acting Treasurer, Vice Chairperson, or Secretary in the event these positions become vacant or their office holders cannot fulfill their duties due to absence or disability.

Section 7: Election of Officers. All officers of the Authority shall be elected at the annual meeting of the Authority from among the Members of the Authority and shall hold office for one year or until the successors are elected and qualified. Nothing herein shall prevent an individual from succeeding himself/herself in office.

S

ARTICLE G: RECORDS (PUBLIC OFFICERS LAW, ARTICLE 6)

Section 1: Definition. "Record means any information kept, held, filed, produced, or reproduced by, with or for the Authority, in any physical form whatsoever, including, but not limited to, reports, statements, examinations, memoranda, opinions, folders, files, books, manuals, pamphlet, forms, papers, designs, drawing, maps, photos, letters, microfilms, computer tapes or discs, rules, regulations or codes."

Section 2: Records required to be maintained. The Authority shall maintain the following records: (a) a record of the final vote of each Member in every Authority proceeding in which the Member votes, (b) a record setting forth the name, public office address, title and salary of every Member, officer or employee of the Authority, and (c) a reasonably detailed current list by subject matter of all records in the possession of the Authority.

ARTICLE H: AMENDMENT OF BY LAWS

Section 1: Amendment and Repeal. By Laws may be repealed (except where provisions of sections of the Laws of the State of New York are incorporated), amended (except where provisions of sections of the Laws of the State of New York are incorporated) or adopted by the Board.

Section 2: Filing of Bylaws. The Secretary of the Authority shall file a certified copy of the By Laws, and any amendments thereto, with the office of the Livingston County Clerk.

A01-003

CODE OF ETHICS

This Code of Ethics shall apply to all directors, officers and employees of the Livingston County Water and Sewer Authority (“Authority”). These policies are based on the requirements of New York State Public Officers Law Section 74 and shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Authority's directors and employees and to preserve public confidence in the Authority’s mission.

Responsibility of Directors and Employees

1. Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
2. Directors and employees shall not accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position with the Authority.
3. Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
4. Directors and employees shall not make personnel investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her with regard to the Authority or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.
5. Directors and employees shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the individual. This prohibition extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the Authority.
6. Directors and employees shall not use or attempt to use their official position with the Authority to secure unwarranted privileges for themselves, members of their family or others, including employment with the Authority or contracts for materials or services with the Authority.
7. Directors and employees shall not disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.
8. Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by

the kinship, rank, position or influence of any party or person, or that they are acting in violation of their public trust.

9. Directors and employees shall endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.
10. Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect interest, financial or otherwise, that may substantially conflict with the proper discharge of their official duties.
11. Directors and employees shall manage all matters within the scope of the Authority's mission independent of any other affiliations or employment. Directors, including ex-officio board members, and employees employed by more than one government shall strive to fulfill their professional responsibility to the Authority without bias and shall support the Authority's mission to the fullest.
12. Directors and employees shall not use Authority property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and the Authority's mission and goals.

Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Authority Board. The Board may designate an Ethics Officer, or the Authority Attorney shall act as the Ethics Officer until one may be designated by the Board, who shall report to the Board and shall have the following duties:

- Counsel in confidence Authority directors and employees who seek advice about ethical behavior.
- Receive and investigate complaints about possible ethics violations.
- Dismiss complaints found to be without substance.
- Prepare an investigative report of their findings for action by the Executive Director or the board.
- Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

Violations and Penalties

In addition to any penalty contained in any other provision of law, an Authority director or employee who knowingly and intentionally violates any of the provisions of this code may be fined, suspended or removed in the manner provided for in law, rules or regulations.

Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by a director or employee of the Authority to the Ethics Officer. Employees and directors may file ethics

complaints anonymously and are protected from retaliation by the policies adopted by the Authority.



GOVERNANCE COMMITTEE CHARTER

A01-004

This Governance Committee Charter was adopted by the Board of the Livingston County Water & Sewer Authority, a public benefit corporation established under the laws of the State of New York, on December 27, 2006.

Purpose

The purpose of the Governance committee is to assist the Authority Board by:

- Keeping the Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to the Authority;
- Updating the Authority's corporate governance principles, policies and practices; and
- Advising those responsible for appointing members to the Board on the skill, qualities and professional or educational experiences necessary to be effective Board members.

Powers of the Governance Committee

The Board Members have delegated to the governance committee the power and authority necessary to discharge its duties, as per the Authority By Laws, including:

- Meet with and obtain any information it may require from authority staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.
- Solicit, at the Authority's expense, persons having special competencies, including legal, accounting or other consultants as the committee deems necessary to fulfill its responsibilities. The governance committee shall have the authority to negotiate the terms and conditions of any contractual relationship subject to the Board's adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

Composition and Selection

The membership of the committee shall be as set forth in accordance with and pursuant to Article E, Section 1 of the Authority's By Laws. The governance committee shall consist of no fewer than three independent members of the Board. The governance committee members shall be appointed by and will serve at the discretion of the Board. The Board may designate one member of the governance committee as its Chair. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past governance committee Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition. Governance committee members shall be prohibited from being an employee of the Authority or an

immediate family member of an employee of the Authority. In addition, governance committee members shall not engage in any private business transactions with the Authority or receive compensation from any private entity that has material business relationships with the Authority or be an immediate family member of an individual that engages in private business transactions with the Authority or receives compensation from an entity that has material business relationships with the Authority. The governance committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

Committee Structure and Meetings

The governance committee will meet as necessary to adequately fulfill all the obligations and duties outlined in the charter. All committee members are expected to attend each meeting, in person or via telephone or videoconference. Meetings will be held per the Authority By Laws.

Meeting agendas will be prepared for every meeting and provided to the governance committee members at least five days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The governance committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings are to be recorded.

Reports

The governance committee shall:

- Report its actions and recommendations to the Board at the next regular meeting of the Board.
- Report to the Board, at least annually, regarding any proposed changes to the governance charter or the governance guidelines.
- Provide a self-evaluation of the governance committee's functions on an annual basis.

Responsibilities

To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to: (a) the Authority's Board; (b) evaluation of the Authority's policies; and (c) other miscellaneous issues.

Relationship to the Authority's Board

The Board has delegated to the governance committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the governance committee has specific expertise, as follows:

- Develop the Authority's governance practices as necessary. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of members to assist the Livingston County Board of Supervisors in identifying qualified individuals.

In addition, the governance committee shall:

- Recommend to the Board the number and structure of committees to be created by the Board.

- Develop and provide recommendations to the Board regarding board member education, including new member orientation and regularly scheduled board member training to be obtained from state-approved trainers.
- Develop and provide recommendations to the Board on performance evaluation, including coordination and oversight of such evaluation of the Board, its committees and senior management in the Authority's governance process.

Evaluation of the Authority's Policies

The governance committee shall:

- Develop, review on a regular basis, and update as necessary the Authority's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- Develop and recommend to the Board any required revisions to the Authority's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Board any required revisions to the Authority's equal opportunity and affirmative action policies.
- Develop and recommend to the Board any required updates on the Authority's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Authority's procurement process.
- Develop and recommend to the Board any required updates on the authority's written policies regarding the disposition of real and personal property.
- Develop and recommend to the Board any other policies or documents relating to the governance of the Authority, including rules and procedures for conducting the business of the Authority's Board, such as the Authority's by-laws. The governance committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

Other Responsibilities

The governance committee shall:

- Review on an annual basis the compensation and benefits for the Executive Director and other senior Authority officials.
- Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.