

TOWN of WILTON
WATER and SEWER AUTHORITY
20 TRAVER ROAD
GANSEVOORT, NEW YORK 12831
(518)581-8626
[Http://water.townofwilton.com](http://water.townofwilton.com)

2010 ANNUAL ABO REPORT

- Report on Operations and Accomplishments
 - Authority Mission Statement
 - Performance Measures Report
 - Schedule of Debt
- List of Board Members and Executive Management making over \$100,000 annually
(NONE)
 - Personal and real property Transactions **(None)**
 - Management's Assessment of internal Controls Structure and Procedures
 - Enabling statute
- List of Committee Members and Committee Meetings **(SEE MEETINGS PAGE)**
 - Board Meetings **(SEE MEETINGS PAGE)**
 - Subsidiaries and Affiliates **(NONE)**
 - Authorities Organizational Chart
 - Authorities By-Laws
 - Authorities Code of Ethics
 - Budget Reports **(SEE FINANCIAL REPORTS PAGE)**
 - Independent Audit Reports

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2010 Report on Operations and Accomplishments

The WWSA was created in 1992 for the purpose of providing water and sewer service to the residents and commercial interests of the Town of Wilton. Water service was initially established through the acquisition of the water system owned by Wilton Water Supply Company, Inc. (Initial application WSA #8806). Since its initial formation, the WWSA has made seventeen applications to extend its service territory and has made five additional applications to increase the permitted withdrawal.

At the present time, the source of water for the majority of the WWSA service territory is taken from three sources of supply (permitted capacity 2.94 mgd) operated by the Water Authority. Portions of the service territory (the commercial core in the vicinity of Exit 15 of I-87) utilize water from the City of Saratoga Springs. Under the agreement with the City of Saratoga Springs, the WWSA has a contract committing up to 250,000 gallons from the City of Saratoga Springs Source of Supply. Additionally, the WWSA recently received a permit to take up to 300,000 gallons per day from the Saratoga County Water Authority (WSA 11,328). The total permitted capacity is currently 3.49 mgd.

The Saratoga County Sewer District #1 (SCSD#1) was established in 1971 providing sanitary sewer service to a 186 square mile service area within Saratoga County. Prior to 2005 the SCSD#1 boundary included a limited area within the southwestern portion of the Town of Wilton. The SCSD#1 expanded the District boundary to include the entire Town of Wilton in 2005. Ownership and maintenance of the sanitary sewer infrastructure within the Town of Wilton has historically been provided through a collaborative effort between the SCSD#1 and the WWSA. The SCSD#1 has taken ownership of all trunk sewers and the collectors and pump stations located within the original SCSD#1 service area; while the WWSA accepts ownership of the collectors and pump stations within the Town located outside the original SCSD#1 service area.

In 2010 the WWSA has had three major improvements to its operations and service. In February the WWSA started taking water from the Saratoga County Water Authority in the amount of 300,000 gallons per day. The WWSA developed an on-line bill payment system where you can make a one time payment or sign up for Auto-Bill -Pay where your payment is made automatically. The WWSA also acquired a small private water company with 128 customers.

Authority Mission Statement and Performance Measurements

Name of Public Authority: *Town of Wilton Water and Sewer Authority*

Public Authority's Mission Statement: *The Town of Wilton Water and Sewer Authority (WWSA) was created in 1991 by the NYS legislature to produce, develop, distribute and sell domestic water and sanitary sewer services within the Town of Wilton. Our Mission is to provide safe, high quality and reliable water and sewer service to residential, commercial, and industrial customers within the Town of Wilton. Our goal is to provide these services in an efficient and cost effective way to maintain reasonable rates while continually planning, maintaining, and upgrading our facilities to meet current and future needs. The WWSA is also committed to funding capital reserves for new improvements and future replacement of facilities and equipment.*

We are committed to fulfilling this mission in an open, courteous, and professional manor and to uphold the confidence of our customers.

Date Adopted: *March 16, 2010*

List of Performance Goals (If additional space is needed, please attach):

- *Comply with all NYS Department of Health water quality regulations to ensure that safe water is being produced and supplied.*
- *Evaluate complaints on a regular basis to ensure our objectives are met ie: Water quality, Sewer service issues, Reliability, Rate issues.*
- *Perform annual independent audit.*
- *Annually evaluate and fund capital reserves.*
- *Evaluate water and sewer rates on an annual basis.*
- *Continually evaluate plants and infrastructure to ensure reliable operation.*

Additional questions:

1. Have the board members acknowledged that they have read and understood the mission of the public authority? **YES**
2. Who has the power to appoint the management of the public authority? ***The WWSA Board***
3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority? ***YES Part 1 of WWSA Personnel Policy***
4. Briefly describe the role of the Board and the role of management in the implementation of the mission. ***The Boards role is to evaluate reports, complaints, audits, and etc. to ensure performance measures are met.***
5. Has the Board acknowledged that they have read and understood the responses to each of these questions? **YES**

TOWN OF WILTON WATER AND SEWER AUTHORITY
Water and Sewer Authority Bonds, 2006
Debt Service Schedule

<u>Payment Date</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Annual Debt Service</u>
1/1/07	\$210,000	\$83,645.83	
<u>7/1/07</u>		41,792.50	\$335,438.33
1/1/08	220,000	41,792.50	
<u>7/1/08</u>		37,777.50	299,570.00
1/1/09	230,000	37,777.50	
7/1/09		33,580.00	301,357.50
1/1/10	235,000	33,580.00	
7/1/10		29,291.25	297,871.25
1/1/11	245,000	29,291.25	
7/1/11		24,820.00	299,111.25
1/1/12	255,000	24,820.00	
7/1/12		20,166.25	299,986.25
1/1/13	265,000	20,166.25	
7/1/13		15,330.00	300,496.25
1/1/14	270,000	15,330.00	
7/1/14		10,402.50	295,732.50
1/1/15	280,000	10,402.50	
7/1/15		5,292.50	295,695.00
1/1/16	<u>290,000</u>	<u>5,292.50</u>	<u>295,292.50</u>
	\$2,500,000	\$520,550.83	\$3,020,550.83

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT ON FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board Members of the
Town of Wilton Water and Sewer Authority

We have audited the financial statements of the Town of Wilton Water and Sewer Authority as of and for the year ended December 31, 2009, and have issued our report thereon dated May 17, 2010. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Wilton Water and Sewer Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

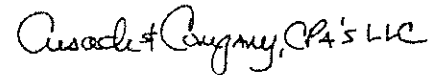
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether the Town of Wilton Water and Sewer Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the management and the Authority Board. However, this report is a matter of public record and its distribution is not limited.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
May 17, 2010

TITLE 6-C—TOWN OF WILTON WATER AND SEWER
AUTHORITY [See, also, Title 6-C, ante.]

Section

- 1121. Short title.
- 1122. Definitions.
- 1123. Town of Wilton water and sewer district.
- 1124. Town of Wilton water and sewer authority.
- 1125. Powers of the authority.
- 1126. Advances on behalf of the authority; transfer of property to authority acquisition of property by town for authority.
- 1127. Governmental capacity of the authority and municipalities.
- 1128. Transfer of officers and employees.
- 1129. Bonds of the authority.
- 1130. Remedies of bondholders.
- 1131. State and town not liable on authority bonds.
- 1132. Moneys of the authority.

PUBLIC AUTHORITIES LAW

§ 1122

Section

- 1133. Bonds legal investments for fiduciaries.
- 1134. Agreement of the state.
- 1135. Exemption from taxes, assessments and certain fees.
- 1136. Actions against the authority.
- 1137. Construction and purchase contracts.
- 1138. Interest in contracts prohibited.
- 1139. Audit and annual report.
- 1140. Limited liability.
- 1141. Environmental applications, proceedings, approvals and permits.
- 1142. Town may levy tax within district.
- 1143. Contracts for design, construction, service and materials.
- 1144. Authority to take affirmative action.
- 1145. Separability.
- 1146. Effect of inconsistent provisions.

Historical and Statutory Notes

Effective Date. Title effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1121. Short title

This title shall be known and may be cited as the "town of Wilton water and sewer authority act".
(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1122. Definitions

As used or referred to in this title, unless a different meaning clearly appears from the context:

1. "Authority" means the corporation created by section eleven hundred twenty-four of this title.
2. "Board" means the members of the authority constituting and acting as the governing board of the authority.
3. "Bonds" means 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.
4. "Civil service commission" shall mean the personnel officer of the county of Saratoga or any other person or entity acting as the civil service commission of the county of Saratoga.
5. "Comptroller" means the comptroller of the state of New York.
6. "Construction" means the negotiation, acquisition, erection, building, alteration, improvement, increase, enlargement, extension, reconstruction, renovation, interconnection, or rehabilitation of a water, sewerage or water supply system, as the case may be; the inspection and supervision thereof; and the engineering, architectural, legal, appraisal, fiscal, economic and environmental investigations, services, studies, surveys, designs, plans, working drawings, specifications, procedures and other actions preliminary or incidental thereto.

7. "Cost" as applied to any project, includes the cost of construction, the cost of the acquisition of all property, real, personal and mixed, and improved and unimproved, the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of acquiring any lands 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 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 town, or any municipality, state agency, the state, the United States government, or any other person for expenditures that would be costs of the project hereunder had they been made directly by the authority.

8. "Distribution system" shall mean the water facility or facilities employed to deliver water from a transmission facility, or where there is not a transmission facility, from a supply facility, to the ultimate consumers of water.

9. "District" means the town of Wilton water and sewer district created by section eleven hundred twenty-three of this title.

10. "Governing body" means:

(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; or

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

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

12. "Person" means any natural person, partnership, association, joint venture or corporation, exclusive of a public corporation.

13. "Project" means any water, sewerage and water and sewerage facility.

14. "Properties" means the water system or systems of the authority whether situated within or without the territorial limits of the district including the plants, works, structures, instrumentalities or part thereof and appurtenances thereto, real property, water facilities, sewerage facilities or any other property incidental to and included in such system or systems or part thereof, and any improvements, extensions and betterments.

15. "Real property" means lands, structures, franchises, rights and interests in lands, waters, lands underwater, riparian rights and air rights and any and all things and rights included within said term 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.

16. "Revenues" means all rates, rents, fees, charges, payments and other income and receipts derived from the operation of the properties of the authority including, without limiting the generality of the foregoing, investment proceeds and proceeds of insurance, condemnation, and sales or other dispositions of assets, together with all federal, state or municipal aid.

17. "Sewerage" 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 wastes also shall be considered 'sewage' within the meaning of this title.

18. "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 sewerage, including but not limited to main, truck, intercepting, connecting, lateral, outlet or other sewers, outfalls, pumping stations, treatment and disposal plants, groundwater recharge basins, back-flow prevention devices, sludge dewatering or disposal equipment and facilities, clarifies, 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.

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

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

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

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

23. "Town" means the town of Wilton.

24. "Town board" means the town board of the town.

25. "Town supervisor" means the town supervisor of the town.

26. "Transmission facility" means a water facility used to carry water from a supply facility to a distribution system.

27. "Treasurer" means the treasurer of the authority.

28. "Water facility" or "water facilities" means any plants, works, instrumentalities, structures and other real and personal property acquired, rehabilitated or constructed or planned for the purpose of accumulating, supplying, transmitting, heating or distributing 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, contract rights, franchises, approaches, connections, permits, water meters, rights of flowage or diversion and other plants, structures, equipment, vehicles, 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.

§ 1122

PUBLIC AUTHORITIES LA

29. "Watershed rules" means the rules and regulations made by the department of health pursuant to section eleven hundred of the public health law.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1123. Town of Wilton water and sewer district

There is hereby defined and established an area to be known as the "town of Wilton water and sewer district" which shall embrace all the territory located within the town.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1124. Town of Wilton water and sewer authority

1. A public corporation to be known as the town of Wilton 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 body corporate and politic constituting a public benefit corporation, the objects of which in the judgment of the legislature cannot be attained under general laws. The authority shall be governed by a board of five members, who shall be residents of the town and be appointed by a majority vote of the town board. The first members shall be appointed for the following terms of office: two shall be appointed for a term ending December thirty-first of the third year following the year in which this title shall have become law; two shall be appointed for a term ending December thirty-first of the fourth year following the year in which this title shall have become law; one shall be appointed for a term ending December thirty-first of the fifth year following the year in which this title shall have become law. No elected officials shall be members of the water and sewer authority. In the event the town board shall not make an appointment within twenty days of the effective date of this title, then at such event the town supervisor shall make the appointment. Subsequent appointments of members shall be made by a vote of the majority of the members of the town board for a term of five years ending in each case December thirty-first of the last year of such term. All members shall continue to hold office until their successors are appointed and qualify. In no event shall more than three members belong to the same political party. Vacancies shall be filled in the manner provided for subsequent appointments. Vacancies, occurring otherwise than by expiration of term of office, shall be filled for the unexpired terms; and if not filled by the town board within twenty days of such vacancy, then the vacancy shall be filled by appointment by the town supervisor. 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 town. They shall receive reimbursement for the ordinary expenses of attending meetings, but not by resolution of the authority be allowed their expenses of a special or extraordinary nature.

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

3. The officers of the authority shall consist of a chairman, vice-chairman and a treasurer, who shall be members of the authority, and a secretary, who need not be a member of the authority. The chairman shall be appointed by the town supervisor for a one year term coinciding with the calendar year and the remaining officers shall be appointed by the chairman and shall act in such capacities at the pleasure of the chairman. The chairman may be appointed to subsequent terms without limitations. In addition to the secretary, the board may appoint and at pleasure remove such additional officers and employees as it may determine necessary or desirable for the performance of the powers and duties of the authority which positions shall be in the exempt class of civil service, and fix and determine their qualifications, duties and compensation, 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 board 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.

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 or 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; provided, however, that no elected official shall be a member of the authority.

5. (a) The town supervisor shall file on or before March thirty-first of the year following the year in which this title shall have become a law, in the office of the secretary of state, a certificate signed by the town supervisor setting forth:

- (1) the name of the authority;
- (2) the names of the members appointed by the town board and their terms of office; and
- (3) the effective date of this title. The authority shall be perpetual in duration, except that 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 town.

6. It is hereby determined and declared, that the authority and the carrying out of its powers and duties are in all respects for the benefit of the people of the town 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.

7. In carrying out its functions the authority shall take into consideration the local zoning and planning regulations as well as local comprehensive land use plans.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1125. Powers of the authority

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 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, lease as lessee, hold, and use any real or personal property or any interest therein, as the authority may deem necessary, convenient or desirable to carry out the purpose of this title; 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, in the name of the authority, any water facility or sewerage facility, and any improvements, extensions and betterments, situated wholly within the district, provided, however, that the authority shall have the power to purchase any source of supply, supply facility, water supply system, transmission facility, sewerage system or sewerage facility or any part thereof situated wholly or partly without the territorial limits of the district, provided the 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 have become charged with the performance of all public duties with respect to such properties with which such owner was charged and such owner shall have become discharged from the performance thereof, and as a means of so acquiring for such purpose, the authority may purchase all of the stock of 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 facilities or sewerage facilities and to pay the costs thereof;

8. To operate and manage and to contract for the operation and management of properties 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 for the collection, treatment and disposal of sewerage;

11. 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;

12. 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, and to accept, in its discretion, such licenses, permits or approvals as may be tendered to it by such agencies and officials;

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. 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;

15. 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 purposes authorized by this title, the authority being liable only for actual damage done;

16. 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;

17. To obtain, store, treat, distribute, supply and sell water for domestic, commercial and public purposes at retail to individual consumers within the district, and to collect, treat and discharge sewerage for such purposes by such generators;

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

19. 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 public corporation, town water district, municipality, person, association or corporation; provided, however, that water and 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 or sewerage services in any area outside of the town (a) without town board approval and (b) in any area which is served by a water, sewerage or water and 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 area;

20. To make and amend from time to time by-laws for the management and regulation of its affairs and rules and regulations for the construction, preservation and protection of the authority's water supply and, subject to agreements with bondholders, rules for the sale of water or collection of sewerage and the collection of rents and charges therefor. A copy of such rules, regulations and by-laws, and any rules and regulations adopted pursuant to subdivision twelve of this section, and all amendments thereto, duly certified by the secretary of the authority shall be filed in the office of the clerk of the town. In addition, the town board by local law shall have power to prescribe that violation of specific by-laws, rules and regulations of the authority, published once in a newspaper having a general circulation in the town, shall be punishable by fine, not exceeding fifty dollars, or by imprisonment for not longer than thirty days, or both;

21. 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 and interest on the bonds 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;

22. To enter into cooperative agreements with other authorities, municipalities, water districts, utility companies, individuals, firms or corporations, within or without the territorial limits of the district, for the interconnection of facilities, the exchange or interchange of services and commodities, and within the territorial limits of the district to enter into a contract for the construction and operation and maintenance of a water or sewerage system by the authority for any municipality, public corporation or water or sewer district having power to construct and develop a water or sewer system, as the case may be, 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 purpose necessary or desirable to effect the purposes of this title;

23. To provide for the discontinuance or disconnection of water or sewerage service, or both, as the case may be, for non-payment of fees, rates, rents or other charges therefor imposed by the authority, provided, such discontinuance or disconnection of any water service, 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;

24. 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; and

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

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 3, 1991, pursuant to L.1991, c. 595, § 2.

1126. Advances on behalf of the authority; transfer of property to authority; acquisition of property by town for authority

1. In addition to any powers granted to it by law, the town, from time to time, may appropriate sums of money 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 town may determine if the moneys appropriated shall be subject to repayment by the authority to the town. In such event, the manner and time or times for such repayment.

2. The town or any other municipality may give, grant, sell, convey, lease, 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 town or other municipality may agree.

3. The town may acquire by purchase or by exercise of the power of eminent domain real property in the name of the town 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 town from the state may be used for any corporate purpose of the authority.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 3, 1991, pursuant to L.1991, c. 595, § 2.

1127. Governmental capacity of the authority and municipalities

The authority, the town 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.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 3, 1991, pursuant to L.1991, c. 595, § 2.

§ 1128. Transfer of officers and employees

Any public officer or employee in the public service who is selected by the authority may, with the consent of the commission, board, or chief executive officer of the municipality by which he or she has been employed, be transferred to the authority and shall be eligible for such transfer and appointment without examination to comparable offices, positions and employment under the authority. The salary or compensation of any such officer or employee, after such transfer, shall be paid by 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 fund or system to be paid by the employer on account of such officers and employees shall be paid by the authority. All such officers or employees so transferred to the authority who have been appointed to positions under the rules and classifications of the civil service commission shall have the same status with respect thereto after transfer to the authority as they had under their original appointment.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1129. Bonds of the authority

1. The authority shall have the power and is hereby authorized from time to time to issue bonds in such principal amounts as it may determine to be necessary to pay the cost of any project or for any other corporate purpose, including incidental expenses in connection therewith. The authority shall have 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. The authority shall have power from time to time to refund any bonds 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. 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 only to any agreements with the holders of outstanding bonds pledging any particular revenues, earnings, or moneys.

2. The authority is authorized to obtain from any department or agency of the United States of America or the state or any nongovernmental insurer or financial institution any insurance, guarantee or other credit support device, to the extent now or hereafter available, as to, or for the payment or repayment of interest or principal or premium, or any of the foregoing, or any part thereof, on any bonds issued by the authority and to enter into any agreement or contract with respect to any such insurance or guarantee, except to the extent that the same would in any way impair or interfere with the ability of the authority to perform and fulfill the terms of any agreement made with the holders of outstanding bonds of the authority.

3. Bonds shall be authorized by resolution of the authority, and may be such denominations and bear such date or dates and mature at such times as such resolution may provide, except that bonds and any renewals thereof shall mature within forty years from the date of original issuance of any such bonds. Obligations with a maturity of five years or less from the date of their original issuance may be designated as notes. Bonds shall be subject to such terms of redemption, bear interest at such rate or rates per annum payable at such times, be in such form, 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. Bonds may be sold at public or private sale for such price or prices as the authority shall determine, provided that no bonds of the authority, other than obligations designated as notes, may be sold by the authority at private sale unless such sale and the terms thereof have been approved in writing by the comptroller, where such sale is not to be to such comptroller, or by the chief director of the division of the budget, where such sale is to be to the comptroller. The authority may pay all expenses, premiums and commissions which it may deem necessary or advantageous in connection with the issuance and sale of bonds.

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

(a) pledging all or any part of the authority, together with any other property of the authority to secure the payment of the bonds, including, but not limited to, any contracts, earnings or proceeds of any amount to the authority received from any private or public source;

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

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

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

(e) limitations on the right of the authority to restrict and regulate the use of the 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, the amount of bonds the holders of 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 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 interests in trust as the authority may determine which may include any or all the rights, powers and duties of the trustee appointed by the bondholders pursuant to section eleven hundred thirty of this title and limiting or

abrogating the rights of the bondholders to appoint a trustee under such section 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 project or any part thereof;

(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 may in any way affect the security or protection of the bonds or the rights and remedies of bondholders.

5. 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 enter into such agreements 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 of its property and the entrusting, pledging or creation of any other security interest in any such revenues, moneys or properties 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 the 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.

6. 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.

7. Whether or not the bonds 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.

8. Neither the members 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.

9. 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, which shall thereupon be cancelled, 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.
- (added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 1991, pursuant to L.1991, c. 595, § 2.

1130. Remedies of bondholders

Subject to any resolution or resolutions adopted pursuant to paragraph of subdivision four of section one thousand one hundred twenty-nine of this title:

1. In the event that the authority shall default in the principal or interest on any issue of 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 bonds, the holders of twenty-five percent 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 taken, may appoint a trustee to represent the holders of such bonds for the purpose herein provided.
2. Such trustee may and, upon written request of the holders of twenty-five percent in principal amount of such bonds outstanding, shall in his, her or 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 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 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 percent 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 incident to the general representation of bondholders in the enforcement and protection of their rights.
4. The supreme court shall have jurisdiction of any action or proceeding by the trustee on behalf of such bondholders. The venue of any such action or proceeding shall be laid in the county of Saratoga, New York.

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 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 thereafter 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. (Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1131. State and town not liable on authority bonds

Neither the state nor the town shall be liable on the bonds of the authority and such bonds shall not be a debt of the state, or the town, and such bonds shall contain, on the face thereof, a statement to such effect. (Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1132. Moneys of the authority

All moneys 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 in the state designated by the board. The moneys in such accounts shall be paid out on check of the treasurer upon requisition by the board or of such other person or persons as the board may authorize to make such requisitions. All deposits of such moneys shall be secured by obligations of the United States or of the state or of the town 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. 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 moneys of the authority or any moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds, and to carry out any such contract notwithstanding that such contract may be inconsistent with the provisions of this section. Moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of such moneys may be secured in the same manner as moneys of the authority and all banks and trust companies are authorized to give such security for such deposits. Any moneys 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 provisions of section ninety-eight-a of the state finance law. Subject to the provisions of any contract with bondholders and with the approval of the comptroller, the authority shall prescribe a system of accounts.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1133. 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 be received by all public officers and bodies of the state and all municipalities for any purposes for which the deposit of bonds or other obligations of the state is or hereafter may be authorized.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1134. Agreement of 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 negotiate, purchase, construct, maintain, operate, repair, improve, increase, enlarge, extend, reconstruct, renovate, rehabilitate or dispose of any 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 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 the bondholders.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1135. Exemption from taxes, assessments and certain fees

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 town 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 property owned by it or under its jurisdiction, control or supervision or upon its activities, 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 under the jurisdiction, supervision or control of 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 said real property is located. The construction, use, occupation or possession of any property owned by the authority or the town, including improvements thereon, by any person or public corporation under a lease, lease and sublease or any other agreement shall not operate to abrogate or limit the foregoing exemption, notwithstanding that the lessee, user, occupant or person in possession shall claim ownership for federal income tax purposes.

2. Any bonds issued pursuant to this title, together with the income therefrom, shall be exempt from taxation. For purposes of this subdivision, the phrase "exempt from taxation" means exempt from direct taxation in conformity with established judicial interpretation of the tax exempt status of the obligations of the state and its agencies, entities, authorities and political subdivisions and thus, the meaning of such phrase is in conformity with the legislative intent expressed by section twenty-two of chapter one hundred sixty-six of the laws of nineteen hundred ninety-one regarding the tax exempt status of obligations of the state and its agencies. The revenues, moneys and other properties and activities of the authority, shall be exempt from taxes and governmental fees or charges, whether imposed by the state or any municipality, including real estate taxes, franchise taxes, sales taxes or other excise taxes except as otherwise provided in subdivision one of this section with respect to real property located outside the district.

3. The state hereby covenants with the purchaser and with all subsequent holders and transferees of bonds issued by the authority pursuant to this title that the interest thereon shall be exempt from taxation. The state further covenants with the holders of such bonds that all revenues, moneys, and other property pledged to secure the payment of such bonds shall at all times be free from such taxation. For the purposes of this subdivision, the phrase "exempt from taxation" means exempt from direct taxation in conformity with established judicial interpretation of the tax exempt status of the obligations of the state and its agencies, entities, authorities and political subdivisions and thus, the meaning of such phrase is in conformity with the legislative intent expressed by section twenty-two of chapter one hundred sixty-six of the laws of nineteen hundred ninety-one regarding the tax exempt status of obligations of the state and its agencies.

(Added L.1991, c. 595, § 1; amended L.1991, c. 717, § 2.)

Historical and Statutory Notes

1991 Amendments. Subd. 2. L.1991, exception relating to transfer and estate c. 717, § 2, eff. July 23, 1991, deleted

es; and defined "exempt from taxation".

Subd. 3. L.1991, c. 717, § 2, eff. July 23, 1991, substituted reference to state covenant exempting bond interest from tax for reference to state covenant exempting bonds of authority issued pursuant to this title and income therefrom from tax in consideration of acceptance

and payment for bonds; deleted reference to subd. 2 of this section, wherever appearing; inserted reference to state covenant with bond holders exempting revenues, moneys, property pledged to secure bond payment from tax; and defined "exempt from taxation".

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

1136. Actions against the authority

1. 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 of any member, officer, agent or employee hereof, 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

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

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, officer or employee of the authority 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. The rate of interest to be paid by the authority upon any judgment for which it is liable, other than a judgment against its bonds, shall be the rate prescribed by section three-a of the general municipal law. 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.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1137. 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

§ 1137

PUBLIC AUTHORITIES LAW

hundred three of the general municipal law. 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.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1138. Interest in contracts prohibited

It shall be a misdemeanor for any member of the governing body or any officer, agent, servant or employee of the authority to be in any way or manner interested, directly or indirectly, in the furnishing of work, materials, supplies or labor, in any contract therefor which the authority is empowered by this title to make.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1139. 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 comptroller. The authority shall annually submit to the governor and state comptroller and to the state legislature 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 town supervisor. The authority shall comply with the provisions of sections two thousand eight hundred one, two thousand eight hundred two, and two thousand eight hundred three of this chapter.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1140. Limited liability

Neither the members of the governing body, 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.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

1141. Environmental applications, proceedings, approvals and permits

1. Any application in relation to the purposes of or contemplated by this title heretofore filed, or any proceeding heretofore commenced, by the town 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 town to the authority, unless such assignment and transfer is prohibited by federal law.

2. All such applications, proceedings, licenses, approvals, permits and decisions shall further inure to and for the benefit of and be binding upon any person leasing, acquiring, constructing, maintaining, using or occupying any facility financed in whole or in part by the authority.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1142. Town may levy tax within district

Should it appear to the town board at any time that the revenue of the authority is or will be insufficient to provide for the payment of any bonds issued under this title and to reimburse the town for any moneys that it may have advanced to the authority, the town board shall determine the amount of money necessary to be raised for such purpose, and shall levy a tax on the territory of the district located within the town and upon the several parcels of real estate in the district located within the town in an amount sufficient to produce the amount necessary to be raised as aforesaid; provided that such tax shall not be levied to pay any bonds of the authority unless the authority with the consent of the town board has pledged such tax prior to the issuance of such bonds. Such tax shall be levied and apportioned upon such territory located within the town and collected from the several parcels of real estate in the district located within the town in like manner as other town taxes. It is hereby determined that the liability imposed upon the territory included in the district located within the town is based upon the special benefit to such territory accruing under this title and that the tax to be levied because of such liability and in proportion to the taxable value of real estate in such territory will be in proportion to such benefits.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1143. Contracts for design, construction, service and materials

the purposes of article fifteen-A of the executive law only, the authority shall be deemed a state agency as that term is used in such

§ 1143

PUBLIC AUTHORITIES LA'

article, and its contracts for design, construction, services and materia shall be deemed state contracts within the meaning of that term as s forth in such article.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1144. Authority to take affirmative action

The authority shall ensure that all employees and applicants for emplo ment are afforded equal opportunity without discrimination.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1145. Separability

If any section, clause or provisions of this title shall be held by competent court to be unconstitutional or ineffective in whole or in part, t the extent that it is not unconstitutional or ineffective, it shall be valid an effective, and no other section, clause or provision shall on account therec be deemed invalid or ineffective.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

§ 1146. Effect of inconsistent provisions

In so far as the provisions of this title are inconsistent with the prov sions of any other act, general or special, or of any charter, local lav ordinance or resolution of the town, or other municipality, the provisions c this title shall be controlling. Nothing contained in this section shall b held to supplement or otherwise expand the powers or duties of th authority otherwise set forth in this title. Nothing contained in this titl shall be held to alter or abridge the powers and duties of the department c environmental conservation or the department of health.

(Added L.1991, c. 595, § 1.)

Historical and Statutory Notes

Effective Date. Section effective July 23, 1991, pursuant to L.1991, c. 595, § 2.

TITLE 7—ONONDAGA COUNTY WATER AUTHORITY

§ 1154. Powers of the authority

The authority shall have power:

[See main volume for text of 1 to 23]

24. Notwithstanding any other provision of this section, to purchas construct, lease and operate water systems and properties in the towns o

Sullivan, Lenox, Lincoln, Volney, Hastings, and West Monroe, to enter into any contract authorized by this section with any municipality within the territorial limits of said towns, and to supply and sell any water not needed in the county of Onondaga at retail or at wholesale to individual consumers within the territorial limits of said towns.

(As amended L. 1985, c. 455, § 1.)

Historical and Statutory Notes

1985 Amendment. Subd. 24. L. substituted "Volney, Hastings, and West Monroe" for "and Volney,".

§ 1156. Bonds of the authority

[See main volume for text of 1]

2. The bonds shall be authorized by resolution of the authority and shall bear such date or dates, mature at such time or times not exceeding forty years from their respective dates, bear interest at such rates per annum not exceeding six per centum per annum payable at such times, be in such denominations, be in such form either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America, at such place or places and be subject to such terms of redemption, as such resolution or resolutions may provide.

Bonds of the authority shall be sold at public sale upon sealed bids to the bidder who shall offer the lowest interest cost to the authority to be determined by the authority. The notice of sale shall be published at least once, not less than ten nor more than forty days before the date of sale, in a financial newspaper published and circulated in the city of New York and designated by the authority. The notice shall call for the receipt of sealed bids and shall fix the date, time and place of sale. Bonds may also be sold at private sale. Such bonds, whether publicly or privately sold, shall be sold for a price not less than ninety-six per centum of the par value thereof, plus accrued interest, provided always that the interest cost to maturity of the moneys realized from the sale of such bonds shall not exceed six per centum per annum. The terms of private sale shall be approved by the comptroller, or by the division of the budget when the sale is to the comptroller.

[See main volume for text of 3 to 7]

(As amended L.1984, c. 492, § 1.)

Historical and Statutory Notes

1984 Amendment. Subd. 2. L.1984, c. 492, § 1, eff. July 20, 1984, in sentence beginning "Bonds of the" substituted "Bonds" for "All bonds"; added sentence beginning "Bonds may also"; in sentence beginning "Such bonds, whether" inserted ", whether publicly or privately sold,"; and added sentence beginning "The terms of".

§ 1169. Actions

1. In any case founded upon tort a notice of claim shall be required as a condition precedent to the commencement of an action or special proceeding against the authority or any officer, appointee or employee thereof, and the provisions of section fifty-e of the general municipal law shall govern the giving of such notice.

§ 1169

PUBLIC AUTHORITIES LAW

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

(As amended L.1990, c. 804, § 18.)

Historical and Statutory Notes

1990 Amendment. Subds. 1, 2. designated existing text as subd. 1, and L.1990, c. 804, § 18, eff. Aug. 24, 1990, added subd. 2.

§ 1170. Audit of authority; 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 such state comptroller and his legally authorized representatives are hereby authorized and empowered from time to time to examine the accounts and the books of the authority, including its receipts, disbursements, contracts, leases, sinking funds, investments and any other matters relating to its financial standing. The authority shall annually submit to the governor and the comptroller and to the legislature a detailed report pursuant to the provisions of section twenty-eight hundred of this chapter, and a copy of such report shall be filed with the chief fiscal officer of the county.

(As amended L.1983, c. 838, § 7.)

Historical and Statutory Notes

1983 Amendment. L.1983, c. 838, § 7, eff. Aug. 3, 1983, in sentence beginning "The authority shall" substituted "twenty-eight hundred of this chapter" for "one thousand seven hundred fifty of article eight of the public authorities law".

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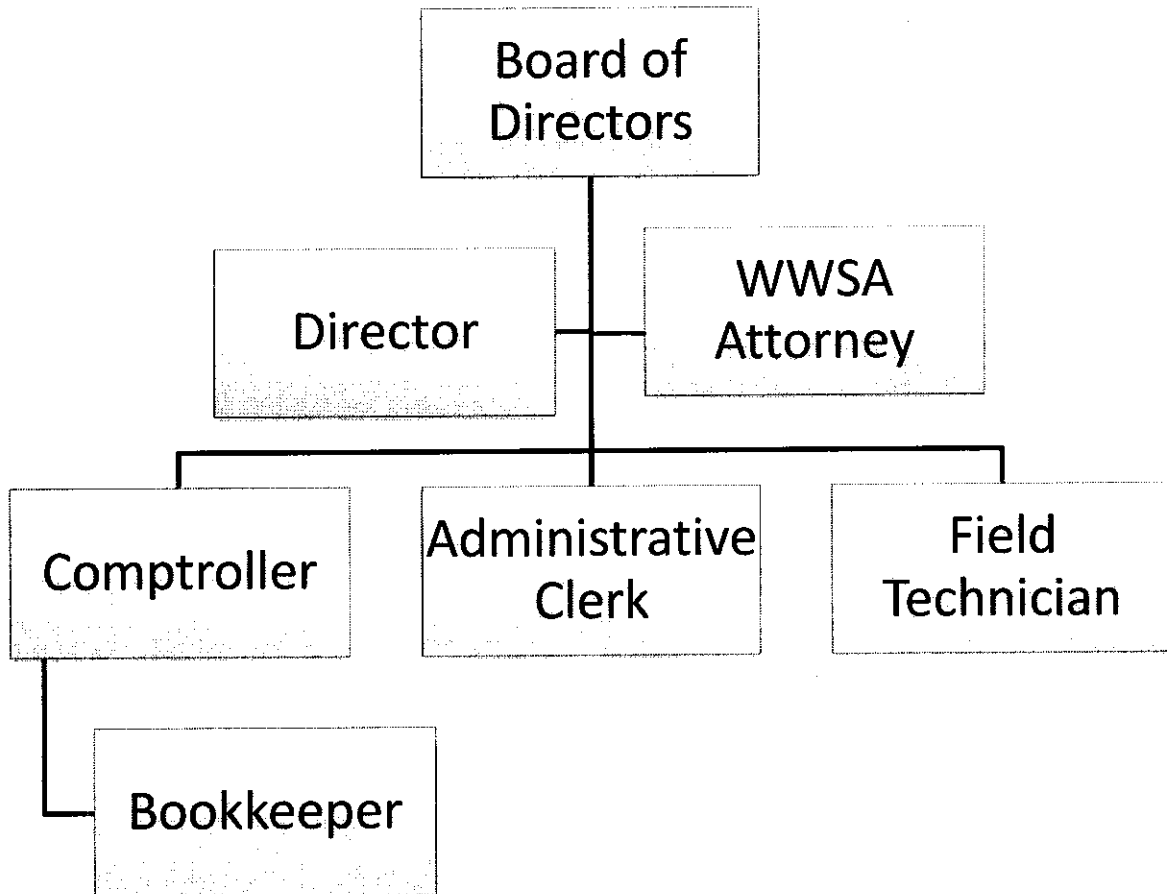


EXHIBIT B

BY-LAWS

OF THE

TOWN OF WILTON WATER AND SEWER AUTHORITY

Pursuant to the authority contained in section 1125 of Title 6-C of Article 5 of the Public Authorities Law, as set out in Chapter 595 of the Laws of 1991 of the State of New York (the "Act"), the Town of Wilton Water and Sewer Authority (the "Authority") hereby approves the following by-laws for the regulation of its activities:

ARTICLE I
THE AUTHORITY

Section 1. NAME. The name of the Authority shall be the "Town of Wilton Water and Sewer Authority".

Section 2. SEAL. The official seal of the Authority shall be in a design, circular in form, bearing the words and date as follows:

TOWN OF WILTON WATER AND SEWER AUTHORITY

Section 3. OFFICE. The principal office of the Authority shall be located at Wilton Town Hall, 20 Traver Road, Gansevoort, New York 12831.

ARTICLE II
OFFICERS AND PERSONNEL

Section 1. OFFICERS. The officers of the Authority shall be a Chairman, Vice Chairman, Secretary, Treasurer, and such other officers as the Authority may determine. Officers shall be appointed as provided in Title 6-C of the Public Authorities Law.

Section 2. PERSONNEL. The Authority may from time to time employ such personnel, including private consultants, for professional and technical assistance and advice, as it may deem necessary to exercise its powers, duties and functions as prescribed by law. The selection and compensation of such personnel shall be determined by the Authority, subject to applicable law.

ARTICLE III
TENURE OF OFFICE

Section 1. TERM. Each officer of the Authority shall hold office for terms as provided by law.

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

ARTICLE IV
DUTIES OF OFFICERS

Section 1. CHAIRMAN. The Chairman shall be a member of the Authority and shall preside at all meetings of the Authority. The Chairman shall sign (manually or by facsimile signature) all agreements, contracts, notes, bonds or other evidences of indebtedness and any other instruments of the Authority on behalf of the Authority when so authorized by the Authority, and shall perform such other duties as may be prescribed for the Chairman by law or by the Authority. The Chairman shall submit to the Authority such recommendations and information as he may consider proper concerning the business, affairs, and policies of the Authority.

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

Section 3. SECRETARY. The Secretary shall keep all records of the Authority, record all the votes and record the minutes of the Authority in a journal to be kept for that purpose, attend to the serving of notices of all meetings when required, keep in safe custody the seal of the Authority and have power to affix such seal to all papers or other documents as may be required and to attest (by manual or facsimile signature) such seal, attend to such correspondence as may be assigned and perform such other duties as may be prescribed by the Secretary by law or by the Authority. The Secretary may delegate recordkeeping and other ministerial duties as he or she sees fit.

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

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

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

Section 6. REMOVAL, RESIGNATION, SALARY, ETC. Any officer appointed by the Authority may be removed by the Chairman with or without cause. In the event of the death, resignation or removal of an officer, the Chairman in his or her discretion may appoint a successor to fill the unexpired term of such officer at the next regular meeting of the Authority. All officers who are members of the Authority shall serve without compensation.

ARTICLE V GENERAL PROVISIONS

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

Section 2. ANNUAL MEETING. The annual meeting of the Authority shall be held on the second Wednesday in January at the Wilton Town Hall located in the Town of Gansevoort. In the event such day shall fall on a legal holiday, the annual meeting shall be held on the next succeeding day that is not a legal holiday.

Section 3. MEETINGS. Regular meetings of the Authority shall take place at such times and places as from time to time may be determined by the Authority. The Chairman may, when the Chairman deems it desirable, and shall, upon the written request of two members of the Authority, call a special meeting of the Authority for the purpose of conducting any business designated in the call. The call for a special meeting may be delivered to each member of the Authority at least one day before such special

meeting or may be mailed to the business or home address of such member at least three days prior to the date of such special meeting. Pursuant to Article 7 of the Public Officers Law, notice of any meeting shall be given to the news media and posted on a prominent bulletin board in the Wilton Town Hall at the same time. Any regular or special meeting may be adjourned to any other time at the will of a majority of the members of the Authority present and voting at such meeting.

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

Section 5. QUORUM. At all meetings of the Authority, a majority of the members of the Authority shall constitute a quorum and the vote of a majority of the whole number of the members of the Authority shall be deemed the act of the Authority. A majority of the members present, whether or not a quorum is present, may adjourn any meeting to another time or place.

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

- (a) Roll call and determination of quorum.
- (b) Reading of minutes of previous meeting.
- (c) Approval of the minutes of previous meeting.
- (d) Treasurer's Report
- (e) Reports of committees.
- (f) Bills and communications.
- (g) Unfinished business.
- (h) New business.
- (i) Adjournment.

Section 7. COMMITTEES. The members of all committees shall be appointed by the Chairman, who shall be an ex officio member of each committee. A quorum of any committee shall consist of a majority of the members of that committee.

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

ARTICLE VI AMENDMENTS

Section 1. AMENDMENTS TO BY-LAWS. The by-laws of the Authority may be amended only with the approval of at least a

majority of all of the members of the Authority at a regular or a special meeting, but no such amendment shall be adopted unless at least seven days written notice thereof has been previously given to all members of the Authority.


ARTICLE VII
INDEMNIFICATION

Section 1. GENERAL SCOPE OF INDEMNIFICATION. The Authority shall, to the fullest extent permitted by law, provide for and indemnify any person (and his/her testator or intestate) made, or threatened to be made, a party to any action or proceeding, whether civil or criminal in nature, by reason of the fact that such person is or was a member or an officer or employee of the Authority or served, at the request of the Authority, as an officer or employee of any subsidiary of the Authority, against judgments, penalties, fines, amounts paid in settlement and reasonable expenses, including attorney's fees, actually and necessarily incurred as a result of such action or proceeding (including any appeal therein), provided such member, officer or employee acted in good faith for a purpose which such person reasonably believed to be in the best interest of the Authority and, in criminal actions or proceedings, had no reasonable cause to believe that any action taken by or conduct of such person was unlawful.

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

I, Jennifer M. Scarano, Secretary of THE TOWN OF WILTON WATER AND SEWER AUTHORITY, DO HEREBY CERTIFY that the foregoing is a true, correct and complete copy of the By-Laws of said Town of Wilton Water and Sewer Authority as amended to the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Town of Wilton Water and Sewer Authority this ___ day of July, 1992.



Jennifer M. Scarano
Secretary to the
Town of Wilton Water & Sewer Authority

[SEAL]

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Code of Ethics

Public Authorities Accountability Act

This is a new act that went into effect at the beginning of 2006. WWSA needs to pass a resolution to adopt a code of ethics in compliance with the standards found in section 74 of the Public Officers Law, amend it's current personnel policy with the additional policy that there is protection of the employee from retaliation for disclosing information concerning acts of wrongdoing and misconduct by the Authority and adopt its current policy for defense and indemnification of board members (attached). All Board Members will need to take a training course by year end.

Chairman Fleming asked for a motion to pass a resolution to adopt a code of ethics in compliance with the standards found in section 74 of the Public Officers Law, amend it's current personnel policy with the additional policy that there is protection of the employee from retaliation for disclosing information concerning acts of wrongdoing and misconduct by the Authority and adopt its current policy for defense and indemnification of board members (attached). Jamie Green offered the following resolution and moved its adoption:

RESOLUTION: #06-49

NOW, THEREFORE, BE IT RESOLVED, to pass a resolution to adopt a code of ethics in compliance with the standards found in section 74 of the Public Officers Law, amend it's current personnel policy with the additional policy that there is protection of the employee from retaliation for disclosing information concerning acts of wrongdoing and misconduct by the Authority and adopt its current policy for defense and indemnification of board members (attached). The adoption of the foregoing resolution was seconded by Secretary Fina, duly put to a vote and the resolution was declared adopted with all Board members present voting in favor.