

BY-LAWS
OF THE
BUFFALO WATER BOARD
(REVISED JUNE 5, 2013)

Pursuant to the authority contained in Section 1048-g of Title 2-B of the Public Authorities Law, as set out in Chapter 96 of the 1985 Laws of the State of New York (the "Act"), the Buffalo Water Board (the "Board") hereby approves the following by-laws for the regulation of its activities.

ARTICLE I

THE BOARD

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

Section 2. DESCRIPTION. The Board is a body corporate and politic constituting a corporate municipal instrumentality and public benefit corporation of the State and having the powers and duties as provided in the Act.

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

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

Section 5. OFFICE. The principal office of the Board shall be located at 502 City Hall in the City of Buffalo, County of Erie, State of New York. Any notices of claim or service of process with respect to the Board shall be served and filed at 502 City Hall, Buffalo, New York.

ARTICLE II

OFFICERS, PERSONNEL AND COUNSEL

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

Section 2. PERSONNEL. The Board may from time to time employ such personnel and auditors, counsel, engineers or other 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 Board may fix and determine qualifications, duties, and compensation of such personnel subject to the provisions of the civil service law and rules of the civil service commission of the City of Buffalo.

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

ARTICLE III

TENURE OF OFFICE

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

Section 2. OFFICERS HOLDING TWO OR MORE OFFICES. Any two or more offices may be held by the same person, except as otherwise provide 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. CHAIRPERSON. The mayor shall appoint a chairperson from among the members of the Board. The Chairperson shall preside at all meetings of the Board. The Chairperson shall sign all agreements, contracts, and any other instruments of the Board on behalf of the Board when so authorized by the Board, and shall perform such other duties as may be prescribed for the Chairperson by law or by the Board. The Chairperson shall submit to the Board such recommendations and information as he or she may consider proper concerning the business, affairs, and policies of the Board.

Section 2. VICE CHAIRPERSON. The Vice Chairperson shall be a member the Board elected by the Board and shall assume the powers and duties of the Chairperson in case of the absence or disability of the Chairperson. In the event of the resignation or death of the Chairperson, the Vice Chairperson shall become Acting Chairperson and perform the duties the Chairperson until such times as the mayor shall appoint a new Chairperson from among the members of the Board.

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

Section 4. TREASURER. The Treasurer shall be the Comptroller of the City of Buffalo and shall have the care and custody of all funds and securities of the Board and shall deposit the same forthwith in the name of the Board in such bank or banks in the State of New York as the Board shall designate. The Treasurer shall have charge of the treasury and custody of receipts, deposits and disbursements of all Board moneys. The Treasurer shall keep full and accurate and separate accounts of the various funds and money in the custody of the Board. The Treasurer shall at any reasonable time exhibit the books and accounts of the Board to any member of the Board upon application at the office of the Board during business hours, and upon the Board's request, render to the Board an account of the financial transactions and the current financial condition of the Board, and render a full financial report at least once each fiscal year to the Board. The Treasurer shall have such other powers and duties as are conferred upon the Treasurer by law or by the Board. The Treasurer shall give such bond for the faithful performance of the duties of his/her office as the Board shall determine and the premium therefor shall be paid by the Board.

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

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

ARTICLE V

GENERAL PROVISIONS

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

Section 2. ANNUAL MEETING. The annual meeting of the Board shall be held on the second Wednesday in July at City Hall in the City of Buffalo, or on such other date and at such time as may be fixed by the members of the Board for the transaction of business as may properly be brought before such meeting. In the event such day shall fall on a legal holiday, the annual meeting shall be held on the next succeeding business day that is not a legal holiday.

Section 3. MEETINGS.

(a) Regular meetings of the Board shall take place at such times and places as from time to time may be determined by the Board. The Chairperson may, when the Chairperson deems it desirable, and shall, upon the written request of two members of the Board, call a special meeting of the Board for the purpose of conducting any business designated in the call or such other business as a majority of the Board shall agree to conduct.

(b) Written or electronic notice of the place, day and hour of every regular and special meeting shall be given to each member by delivering the same to such member personally, or via facsimile, e-mail or other like transmission, at his/her residence or usual place of business, at least one (1) day before the meeting, or shall be sent regular or overnight delivery to each member, postage prepaid, and addressed to him/her at the last known post office address according to the records of the Board, at least three (3) days before the meeting.

(c) Pursuant to Article 7 of the Public Officers Law, notice of any meeting shall be given to the news media and posted on a prominent bulletin board in City Hall at the same time. Any regular or special meeting may be adjourned to any other time at the will of a majority of the members of the Board present and voting at such meeting.

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

Section 5. QUORUM. A majority of the members of the Water Board shall constitute a quorum for the transaction of any business or the exercise of any power of the Board. A majority of the members present, whether or not a quorum is present, may adjourn any meeting to another time or place.

Section 6. ORDER OF BUSINESS. The order of business at a regular meetings shall be as follows, unless at any meeting, the Board deems otherwise:

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

Section 7. COMMITTEES. Pursuant to New York Public Authorities Law section 2824, the Board shall establish the following standing committees: Audit Committee and

Governance Committee. Each such committee shall have the duties as prescribed by the New York Public Authorities Law. In addition, the Chairperson of the Board, who shall be an ex-officio member of each committee, shall appoint a member or members to serve as a special purpose committee for the purpose of exploring and reviewing any issue or matter as prescribed by the Chairperson. A quorum of any committee shall consist of a majority of the members of that committee.

Section 8. EXECUTION OF INSTRUMENTS. All Board instruments and documents shall be signed or countersigned, executed, verified or acknowledged by such officer or official or other person or persons as provided in these by-laws or as the Board may from time to time designate. The absence of the Board seal on a document shall not invalidate any Board instrument or document.

ARTICLE VI

AMENDMENTS

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

ARTICLE VII

INDEMNIFICATION

Section 1. GENERAL SCOPE OF INDEMNIFICATION. In accordance with section 18 of the New York Public Officers Law and any other applicable law, the Board shall, to the fullest extent permitted by law, provide for the indemnification and defense of any person (and his/her testator or intestate) made, or threatened to be made, a party to any action or proceedings, whether civil or criminal in nature, by reason of the fact that such person is or was a member, officer, employee or agent of the Board or served, at the request of the Board, as an officer, employee or agent of any subsidiary of the Board, against judgments, penalties, fines, amounts paid in settlement and reasonable expenses, including attorney's fees, actually and necessarily incurred as a result of such action or proceeding (including any appeal therein), provided such member, officer, employee or agent acted within the scope of his or her duties and in good faith for a purpose which such person reasonably believed to be in the best interest of the Board and, in criminal actions or proceedings, had no reasonable cause to believe that any action taken by or conduct of such person was unlawful. Except as provided by insurance or otherwise, the Board shall be liable for the costs incurred for such defense and indemnification.

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, employee or agent did not act in good faith for a purpose which such person reasonably believed to be in the

best interests of the Board or that such person had reasonable cause to believe that any such action or conduct was unlawful.

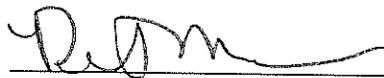
Section 3. INSURANCE. The Board may maintain insurance, at its expense, to protect itself, any member, officer, employee or agent of the Board against any expense, liability or loss or other amount provided for in section 1 of this Article, whether or not the Board would have the power to indemnify and defend such person against such expense, liability or loss or other amount provided for in section 1 of this Article, under this Article or applicable law.

STATE OF NEW YORK)
COUNTY OF ERIE) ss.:
CITY OF BUFFALO)

I, the undersigned Secretary of the Buffalo Water Board (the "Board") DO HEREBY CERTIFY that the annexed By-Laws of the Board are the true By-Laws of the Board, duly adopted at a meeting of the Board held in the 5th day of June, 2013, that I have compared the annexed By-Laws with the original thereof on file in the office of the Board and said By-Laws are a true and correct copy of said original.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 5th day of June, 2013.



Peter Merlo, Secretary