

By-Laws
of the
Lilly Borough Water Authority

ARTICLE I
THE BOARD

SECTION 1. *Number and Term of Office.*

The business and property of the Lilly Borough Water Authority (hereinafter referred to as the "Authority") shall be managed and controlled by the Lilly Borough Water Authority Board (hereinafter referred to as the "Board"). The Board shall be composed of five members who shall be appointed for such terms, and the vacancies therein filled, as provided by law and the Articles of Incorporation of the Authority.

SECTION 2. *Place of Meeting.*

The Board may hold its meetings, have an office and keep the books of the Authority (except as may otherwise be provided by law) at such place or places in Cambria County, Pennsylvania, as the Board may by resolution from time to time determine provided however that the Lilly Borough Municipal Building shall be the ordinary place of meeting.

SECTION 3. *Regular Meetings.*

The regular meetings of the Board shall be held on the first Tuesday of each month at 6:00 o'clock, P.M., if not a legal holiday. If such meeting date should at any time fall on a legal holiday, then a majority of the Board shall determine an alternate date.

SECTION 4. *Special Meetings.*

Special meetings of the Board shall be held whenever called by the Chairman or by a majority of Board members. Calls for special meetings shall be announced at a public meeting. If a need arises for a special meeting outside of a public meeting, then the Secretary shall give written notice to all Board members in conformance with this section.

The Secretary shall give notice of the time, place and purpose of each special meeting by mailing the same or causing same to be personally served, at least three days before the meeting, to each member of the Board; but such notice may be waived by any member. At any meeting at which every member of the Board shall be present, even though without notice, any business of the Authority may be transacted.

SECTION 5. *Quorum and Transaction of Business.*

A majority of the Board for the time being in office shall constitute a quorum for the transaction of business, but if at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum shall be present. All actions of the Board may be taken by vote of the majority of the members present at any meeting except that the election of officers, agents and employees of the Authority, and the fixing of their compensation, and the acquisition, purchase, leasing, sale, transfer, or

disposition of any projects, franchises, property, real, personal or mixed, tangible or intangible or any interest therein, must be by a majority of the entire Board for the time being in office, and except further that the alteration, amendment or repeal of these by-laws shall be as provided in Article IV hereof. In the case of any equality of votes, the Chairman, Vice-Chairman or Vice-Chairman pro tem, whichever may then be presiding, shall have a second or deciding vote.

The Chairman shall preside at all meetings. In his absence the Vice-Chairman shall preside. In the absence of the Chairman and Vice-Chairman the Board shall elect a Chairman pro tem.

SECTION 6. *Order of Business.*

The Order of business at any regular meeting of the Board shall be as follows:

1. *Roll Call*
2. *Public Comment*
3. *Approval of the minutes from the previous meeting*
4. *Correspondence*
5. *Solicitor's Report*
6. *Engineer's Report*
7. *Secretary's Report*
8. *Water Commissioner's Report*
9. *Committee Reports*
10. *Old Business*
11. *New Business*
12. *Approval of Bills*

SECTION 7. *Powers and Duties of the Board.*

The members of the Board shall have the general management and control of the business and affairs of the Authority and shall exercise all powers that may be exercised or performed by the Authority under the existing laws, the Articles of Incorporation and the By-Laws. Without prejudice to the general powers conferred by the preceding sentence and any other powers conferred by or duties imposed by these By-Laws, the Board shall have the following powers and duties, namely:

A. *Appointment of Agents.* To appoint and in its discretion remove or retain such officers, agents or servants not otherwise elected or appointed, permanently or temporarily, as it shall deem fit and proper, and to prescribe their duties and determine their compensations, and to require security in such instances and in such amounts as it shall deem fit, and to confer, by resolution, upon any appointed officer of the Authority the power to choose, remove or suspend any officers, agents or servants so appointed who may be under his supervision.

B. *Execution of Instruments.* To determine by resolution, except as otherwise provided by statute or these By-Laws, who shall be authorized on behalf of the Authority to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts and other documents.

C. *Delegation of Powers.* To delegate any of the powers of the Board in the current business of the Authority to any officer or agent, or to appoint any person or persons to be the agent or agents of the authority, with such powers (including the power to sub-delegate) and upon such terms as the Board shall see fit.

D. *Committees.* To delegate from time to time to suitable committees any duties that are required to be executed during the intervals between the meetings of the Board, and such committees shall report to the Board when and as required.

E. *Election of Officers.* To elect a Chairman, a Vice-Chairman, a Secretary, a Treasurer and an Assistant Secretary and Assistant Treasurer, and to define their duties and limit the Authority of all officers and agents of this Commonwealth of Pennsylvania or the express of the Articles of Incorporation, or these By-Laws.

F. *Designation of Depositories.* The Board may and shall designate the Trust Company or Trust Companies, Bank or Banks, in which shall be deposited the monies or securities of the Authority.

G. *Budget.* The Board shall annually, at a December meeting, establish a budget for the ensuing calendar year.

H. *Reports.* The Board shall annually, at the January meeting in each year, prepare in writing a report of the business and activities of the Board and the Authority for the calendar year immediately preceding such meeting and shall submit copies of such report to the proper municipal authorities.

I. *Rules and Regulations.* The Board may, from time to time, by resolution adopt such rules and regulations for the use of the facilities of the Authority, as the Board may deem proper.

SECTION 8. *Resignation of Board Members.*

Any member of the Board may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein. If no time is specified, the resignation shall take effect from the time of its receipt by the Secretary who shall accept such resignation, noting the date of its receipt. The acceptance of a resignation shall not be necessary to make it effective. The Secretary shall promptly notify the governing body of the resignation of any member of the Board.

ARTICLE II
OFFICERS

SECTION 1. *Officers.*

The officers of the Authority shall be a Chairman, a Vice-Chairman, a Treasurer, a Secretary, and such other officers as shall from time to time be provided for by the Board. Such officers shall be elected at the meeting of the Board held in December of each year, and shall hold office for one year from the first day of January next succeeding, and until their respective successors shall have been duly elected and qualified, provided, however, that all officers, agents and employees of the Authority shall be subject to removal at any time by the affirmative vote of a majority of the whole Board.

SECTION 2. *Powers and Duties of Chairman.*

The Chairman shall be the chief executive officer of the Authority. He shall preside at all meetings of the Board. He shall have general charge and supervision of the business of the business of the Authority. He shall sign and execute all authorized bonds, contracts, notes, evidence of indebtedness or other obligations in the name of the Authority. He shall sign warrants or orders in the name of the Authority for the payment of money as directed by the Board. He shall from time to time make such reports of the affairs of the Authority as the Board may require and shall present a report of the proceeding year's business to the Board at their first meeting in each year. He shall do and perform such other duties as may from time to time be assigned to him by the Board.

SECTION 3. *Powers and Duties of Vice-Chairman.*

The Vice-Chairman shall possess the power and may perform the duties of the Chairman in his absence or disability. He shall do and perform such other duties as may be from time to time assigned to him by the Board.

SECTION 4. *Powers and Duties of Secretary.*

The Secretary shall keep the minutes of all meetings of the Board. He shall attend to the giving and serving of all notices of the Authority; he shall sign with the Chairman in the name of the Authority all contracts, bonds, notes, evidences of indebtedness or other obligations authorized by the Board, and when so ordered by the Board he shall affix the seal of the Authority thereto; he shall have charge of such books and papers as the Board may direct, all of which shall, upon application to the Secretary; he shall in general perform all of the duties incident to the office of Secretary, subject to the control of the Board, and shall do and perform

such other duties as may from time to time be assigned to him by the Board. The Secretary for the time being in office shall deliver all books and papers of the Authority in his possession to his successor immediately upon his qualification, or to the Board when so required by the Board.

SECTION 5. *Powers and Duties of the Treasurer.*

The Treasurer shall receive and have charge of all money, bills, notes, bonds and similar property belonging to the Authority except as otherwise directed by the Board, and shall have the power to issue receipts and acknowledgments for the payment of money and delivery of checks, drafts, notes, acceptances or other evidences of indebtedness to the Authority, except as otherwise directed by the Board. He shall have the duty and the power of opening and keeping special accounts with such Bank or Banks, Trust Company or Trust Companies as from time to time, may by resolution, be designated by the Board, and, to the extent that such accounts are not insured, require such security from any such Bank or Trust Company as may be directed by the Board or required by law; when necessary or proper, he shall endorse on behalf of the Authority, for collection, checks, notes and other obligations, and shall deposit the same to the credit of the Authority in the Bank or Banks designated by by-law or by resolution of the Board he may sign all checks made by the Authority, and shall pay out and dispose of the same under the direction of the Board; he shall sign all interest bearing coupons attached to authorized bonds of the Authority by facsimile signature; whenever required by the Board, he shall render to it a statement of his accounts; he shall enter regularly in books of the Authority to be kept by him for the purpose, full and accurate account of all monies received and paid by him on account of the Authority; he shall, at all reasonable times, exhibit his books and accounts to any member of the Board upon application; and he shall perform all acts incident to the position of Treasurer, subject to the control of the Board. He shall give a bond with sufficient cooperate surety in such amount as may be determined by resolution of the Authority, the costs of which shall be paid by the Authority, conditioned for the faithful performance of his duties as such Treasurer. The

Treasurer for the time being in office shall transfer and deliver all funds, securities, books, records and papers of the Authority in his custody or possession, to his successor immediately upon his qualification. He shall permit all books, records and accounts of the Authority kept by him and in his custody or possession be examined from time to time by such auditor or auditors as the Board shall direct.

SECTION 7. *Solicitor.*

The Authority's Solicitor shall be the chief consulting officer of the Authority in all legal matters, and subject to the control of the Board, shall have general control of the matters of legal import concerning the Authority.

ARTICLE III
CHECKS, NOTES, ETC.

SECTION 1. *Methods of Paying, Endorsing, Authorizing, etc.*

Payments shall be made by drafts, checks or other orders, all of which shall be signed by such two of the officers of the Board as the Board shall by resolution provide. Payments shall be made only pursuant to warrants or orders signed by the Chairman or Vice-Chairman in the name of the Authority, as directed by the Board or pursuant to resolution of the Board. Bills receivable, drafts and other evidences of indebtedness to the Authority shall be endorsed for the purpose of discount or collection by the Treasurer or such other officer or officers of the Authority as the Board shall from time to time by resolution designate. No bonds, bills or notes

shall be executed by or on behalf of the Authority unless the Board shall by resolution authorize the same.

ARTICLE IV
AMENDMENT BY-LAWS

SECTION 1. *Method of Alteration, Amendment or Repeal of By-Laws.*

The By-Laws of the Authority shall be subject to alteration, amendment or repeal by a majority vote of the whole Board for the time being in office at any regular or special meeting of the Board, provided that notice of such proposed alteration, amendment or repeal shall have been given in writing to each member at least ten (10) days prior to the regular or special meeting at which action thereon is to be taken, or without any such notice by unanimous vote at any meeting of the Board when all of the members are present.

ARTICLE V
MISCELLANEOUS

SECTION 1. *Corporate Seal.*

the corporate seal of the Authority shall consist of two concentric circles between which the name of the Authority and the word " Pennsylvania" shall be inscribed and within the smaller circle the words "Incorporated 2010" shall be inscribed.

SECTION 2. *Rates and Charges.*

The Board may fix, alter, charge, and collect reasonable rental and other charges for the use of the facilities of, or for the services rendered by the Authority or projects thereof, for the purpose of providing for the payment of the expenses of the Authority, the constructions, improvements, repair, maintenance, and operation of its facilities and properties, the payment of the principal of the interest on its obligations, and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such obligations, as the Board may from time to time by resolution determine.

SECTION 3. *Annual Examination of Records.*

The financial records of the Authority shall be kept on a calendar year basis. The financial records, books, and accounts of the Authority shall be examined annually during the month of January by a certified public examination shall cover the immediately preceding calendar year.

ADOPTED, this third day of January, 2011

LILLY BOROUGH WATER AUTHORITY:

By: Paul Szadowski
- Chairman

Attest: Claudia M. Talgh (Seal)
- Secretary