

ADOPTED AUGUST 2, 2010

BYLAWS OF
Cayuga County Public Utility Service Agency
Preamble

These Bylaws are adopted by the members of the Cayuga County Public Utility Service Agency ("CCPUSA" or "The Agency"), pursuant to Local Law 2 of 1984, as amended by Local Law 6, 2005 (Approving Amendments to Local Law 2 for the year 1984 "A Local Law to Establish a County of Cayuga Public Utility Service Agency"). These bylaws may be supplemented by duly adopted rules and regulations of the Agency. These bylaws and any rules and regulations shall be subordinate to the County of Cayuga Local Law 2 of 1984, as amended by Local Law 6, 2005, and any provisions of New York law governing the Agency and its conduct.

SECTION I
ORGANIZATION

Section 1.1-Members: The Agency shall consist of seven (7) Members, six (6) of which shall be residents of Cayuga County to be appointed by the Chairman of the Legislature with the confirmation of the Cayuga County Legislature, and the seventh Member, also to be appointed by the Chairman of the Legislature, to be a Member of the Cayuga County Legislature serving as ex officio voting member and chairperson.

Section 1.2-Qualifications: All Members shall be residents of the County of Cayuga at the time of their appointment and during their term of office.

Section 1.3-Tenure: Members of the Agency shall be appointed for a term of four years except, that of those first appointed, four Members including the Chairman, shall be appointed for a term of four years and three Members shall be appointed for a term of three years. The County Legislature Chairman shall designate the terms to be served by the initial Members. No Member shall hold office beyond the expiration of such member's term unless reappointed.

Section 1.4 – Organization; Board Officers: The Chairman of CCPUSA shall be appointed by the Chairman of the Legislature, the Vice Chairman, Treasurer and Secretary of the Agency shall be chosen among the duly appointed and serving voting Members of the Agency by a majority of the voting Members present. The Chairman or his or her designated Member shall preside at all meetings of the Agency's Members. The Secretary, or, in his or her absence, a person chosen by a majority of the voting Members present, shall keep complete and accurate minutes of the meeting.

Section 1.5-Vacancies: Vacancies shall be filled in the same manner as original appointments. Vacancies occurring by other than expiration of term shall be filled for the balance of the un-expired term.

Section 1.6-Removal: The Chairman of the legislature may suspend with the approval of the Legislature and may remove any Member of the Agency for inefficiency, neglect of duty, and/or misconduct in office, or any other reason.

Section 1.7-Compensation: Neither the Chairperson nor any other Member shall receive a salary. Subject to annual appropriation by the Cayuga County Legislature, each Member, including the Chairperson, shall be entitled to reimbursement for actual and necessary expenses incurred in the performance of that member's official duties.

SECTION II
POWERS AND DUTYS

A. General Powers and Duties. In discharging its duties, the Agency, on behalf of the County, shall have the power to establish, construct, lease, purchase, own, acquire, use and/or operate a public electric utility service gas utility service and/or alternative energy service within and/or without the territorial limits of the County for the purpose of furnishing to the County, or for compensation to inhabitants of the County any electric or other energy service similar to that furnished by any public utility company specified in Article 4 of the Public Service Law and to purchase electrical energy, gas or alternative energy

from the State of New York or from any State agency, or other municipal corporation, or from any private or public corporation or other sources and generate energy, or transmit energy, or distribute energy.

B. Specific Powers and Duties. In discharging its power and duties, the Agency:

- 1) Shall have the authority to contract for or otherwise purchase or acquire low cost hydro-electric power, gas or alternative energy or such other economical forms of adequate and reliable electricity from the State of New York, any agency of the State of New York, other municipal corporation, or any private or public corporation, or other sources, as shall be available for the County.
- 2) Shall have the authority to negotiate with any and all public utility companies for the use, by lease and/or by contract, of such portion of the appropriate distribution substation and transmission facilities necessary to transmit to the County or for compensation to inhabitants of the County such quantities of power as may be acquired by the Agency; and/or sell such power to any and all public utility companies for resale to its customers inhabiting the County. Contracts and/or leases entered into by the Agency with electric utilities for distribution of power purchased by the Agency shall include provision that the net savings associated with such energy or on taxes shall be passed along to customers and shown separately on their bills as credit.
- 3) Shall have the authority to determine what if any additional facilities and incidental improvements would have to be constructed and/or purchased in connection with the use, by lease and/or contract of the foregoing facilities, to project the estimated cost thereof, and to recommend that the County Legislature authorize the purchase or construction of such facilities or improvements, where the Agency determines that same would be desirable and in the interest of the County, provided that the Agency shall not construct and/or purchase such facilities or improvements without the approval of the County Legislature.
- 4) Shall have the authority to enter into contracts, leases and other instruments and to acquire, hold and dispose of real or personal property necessary and convenient to the exercise of its powers.
- 5) Shall have the authority to appoint, fix the compensation of and provide for the indemnification of such officers and employees as it may require for the performance of its duties and to retain or employ consultants or advisors on a contract basis or otherwise for rendering professional or technical services and advice.
- 6) Shall have the authority to initiate and prosecute all inquiries investigations, surveys, and studies which it may deem necessary or desirable or the effectuation of the powers and duties conferred upon it by this Local Law.
- 7) Shall have the authority to exercise such other powers granted under law that are necessary or convenient to carry out and effectuate the purposes and provisions of this Local Law 2 of 1984, as amended by Local Law 6, of 2005.
- 8) Shall have the authority to study and recommend to the County Legislature the development of alternative energy sources for local needs or conservation purposes.

C. Those provisions of County Law pertaining to the award and execution of contracts and leases shall apply to the Agency, provided, however, that the Agency, at a public meeting, is hereby empowered to adopt its own rules and regulations, consistent with law, regarding the award and execution of Agency contracts and leases.

D. The Agency, within ninety (90) days after the end of its Fiscal Year, shall annually submit to the County Legislature a complete and detailed report setting forth, in addition to the financial statements required by Section 5 of this chapter, the operations and accomplishments of the Agency during such year and its legislative recommendations in furtherance of the purposes of the Agency. The Agency shall file a copy of its audited financial report with the Chairperson of the Cayuga County Legislature within thirty (30) days after such audited financial report has been prepared or within thirty (30) days of any subsequent changes to the audited report. The report will be prepared in accordance with generally accepted accounting principles by a firm of independent accountants of recognized national standing.

SECTION III METHOD OF OPERATION; RATE SETTING

The method of operation of the rates, rentals and Charges for public electric utility service and the procedure for their collection shall be fixed by the County Legislature in accordance with laws. The Agency shall recommend to the County Legislature the establishment of a system of consumer rates, the intent of which shall be to enable the public utility service to be self-liquidating, and shall impose and collect the rates established in a manner consistent with law.

SECTION IV
PAYMENT IN LIEU OF TAXES

With respect to any property the Agency may acquire within the County from any private utility company, the Agency shall make payments in lieu of taxes to the appropriate municipalities or districts in an amount equal to the amount that would have been paid in real estate or franchise taxes had such private utility continued to use such property.

SECTION V
MEETINGS

Section 5.1-Regular Meetings: The Agency shall establish a schedule of meetings to be held monthly.

Section 5.2-Special Meetings: Special meetings may be called by any Member for any purpose upon written request to the Chairman to call such meeting. Notice for a special meeting shall be given pursuant to Section 2.7 herein.

Section 5.3-Rules of Procedure: The Agency may adopt rules for the conduct of its meetings. In the absence of such adopted rules, Agency meetings shall be governed by Roberts Rules of Order.

Section 5.4-Meeting Decorum: Attendees at meetings, whether Agency members or non-members shall conduct themselves at all times with proper decorum and in accordance with the rules of conduct established by the Agency, or in the absence of such rules, Roberts Rules of Order.

Section 5.5-Open Meetings: Meetings and documents of the Agency are open and available to the public, and shall be conducted in accordance with the New York Open Meetings Law and Freedom of Information Law, except that an executive session of the Agency may be called and business shall be transacted, as further provided by law.

Section 5.6-Minutes: Minutes of meetings shall be recorded by a Secretary appointed by the Agency and filed with the Clerk of Cayuga County.

Section 5.7-Notice: An agenda and notice of meetings shall be posted in a public place in the Cayuga County Office Building, 160 Genesee Street, Auburn, New York at least 72 hours in advance of the proposed meeting.

Section 5.8-Quorum: A majority of the whole number of members of the Agency then in office shall constitute a quorum for the transaction of any business or the exercise of any power of the Agency. For the transaction of any business or the exercise of any power of the Agency, the Agency shall have the power to act by a majority vote of the members present at any meeting at which a quorum is in attendance; however in no event shall the Agency act without an affirmative vote of three (3) members, notwithstanding any provision to the contrary.

SECTION VI
COMMITTEES

Section 6.1-Committees: The Members may establish committees to assist and advise the Members in the furtherance of the purposes of the Agency. Committees shall be formed by a resolution of the Members, setting forth the duties and function of the particular committee. Each Committee shall be chaired by a Member of the Agency, which chair shall be selected and appointed by the Agency Chairperson.

SECTION VII
AGENCY FINANCES

Section 7.1-Fiscal Management: All monies of the Agency shall be managed and used by the Agency for the purposes of the Agency in accordance with sound financial procedures established by the Agency.

Section 7.2-Fiscal Services: The Agency shall utilize the fiscal services of the County Treasurer.

Section 7.3-Expenditures: Monies of the Agency deposited with the County Treasurer shall be subject to requisition by the Chairperson of the Agency or of such other officer or employee as the Agency shall authorize to make such requisition.

Section 7.4-Accounts: All monies of the Agency deposited with the County Treasurer shall be maintained in a separate bank account or accounts and, except for investment purposes, shall not be commingled with any other monies. All deposits of monies with the County Treasurer shall, if required by the County Treasurer or the Agency, be secured by obligations of either the United States or the State of New York or its municipalities of a market value equal at all times to the amount of the deposits.

Section 7.5-Temporary Financing: The Agency may, with the approval of the Cayuga County Legislature, arrange for temporary financing prior to the receipt of revenues sufficient to meet current costs or expenses by obtaining such advances from the County Treasurer as may be authorized by the County Legislature. Loans obtained in this manner shall possess a sufficient excess of cash over current obligations to permit such repayment.

Section 7.6 Audits: The Agency shall maintain books of record and account with respect to its operations in accordance with generally accepted accounting principles consistently applied. Within ninety (90) days after the end of the Agency's Fiscal Year, the Agency shall deliver to the County Legislature its financial statements at the end of such year and for the year then ended in accordance with generally accepted accounting principles and accompanied by a report thereon, prepared by a firm of independent accountants of recognized national standing based upon an audit using generally accepted auditing standards.

Section 7.7-Reports: The Agency, within ninety (90) days after the end of its fiscal year, shall annually submit to the County Legislature a complete and detailed report setting forth, in addition to the financial statements required by Section 4.6 of this Article, the operations and accomplishments of the Agency during such year and its recommendations in furtherance of the purposes of the Agency.

Section VIII

Contracts, Checks, Drafts and Bank Accounts

Section 8.1-Execution of Contracts: The Members of the Agency, except as these By-laws otherwise provide, may subject to the review and approval of the Cayuga County Legislature, authorize any officer or officers, agent or agents, employee or employees, in the name of and on behalf of the Agency, to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but, unless so authorized by the Members of the Agency, or expressly authorized by these By-laws, no officer, agent or employee shall have any power or authority to bind the Agency by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose.

Section 8.2-Loans: No loans shall be contracted on behalf of the Agency unless specifically authorized by the Members of the Agency and in accordance with General Municipal Law, New York State Finance Law and pursuant to Local Law 2 of 1984, as amended by Local Law 6, 2005 (Approving Amendments to Local Law 2 for the year 1984 "A Local Law to Establish a County of Cayuga Public Utility Service Agency"), and as amended.

Section 8.3-Checks, Drafts, Etc.: All checks, drafts and other orders for the payment of money out of the funds of the Agency, and all notes or other evidences of indebtedness of the Agency, must be approved by Members of the Agency.

SECTION IX EMPLOYEES

Section 9.1-Executive Director: The Members may appoint an Executive Director to be responsible for the administration and day-to-day operations of the Agency. The Executive Director, who shall not be a member of the Agency, and shall hold office at the pleasure of the Agency, and shall be paid a salary to be fixed by the Agency. The Agency shall be empowered to delegate any one or more of its operational and administrative functions or powers to

the Executive Director, provided, however, that the Agency shall delegate to the Executive Director such functions and powers, including without limitation, that of appointment, discipline and removal of employees, as are necessary for the Executive Director to discharge his/her responsibilities.

Section 9.2-Employees: There shall be such other employees and managers of the Agency as may be approved by the Members. The managers and employees shall be appointed and removed by the Executive Director subject to the provisions of local, state and federal laws or binding contracts entered into with employees and the Agency.

Section 9.3-Consultants: The Members may retain or employ consultants or advisors on a contract basis or otherwise for rendering professional or technical services and advice.

SECTION X INDEMNIFICATION

Section 10.1-Errors and Omissions: Any person made a party to any action, suit or proceeding by reason of the fact that he or she is or was a Member, employee or agent of the Agency, and any errors or omissions were committed within the scope of his/her duties, shall be indemnified by the Agency against reasonable expenses to the extent permitted by law, including attorney's fees, actually and necessarily incurred by him or her in connection with said action, suit or proceeding, except in relation to matters as to which were committed in willful violation of law or has been adjudged in such action, suit or proceeding that such Member, employee or agent was not acting in good faith and in the reasonable belief that his or her action was in the best interest of the Agency. Any amount payable by way of indemnity hereunder shall be determined and pursuant to resolution of the Agency and with the consent of the Cayuga County Legislature.

SECTION XI MISCELLANEOUS

Section 11.1-Termination: The Agency's existence shall continue until terminated by law, provided, however, that no such law shall take effect so long as the Agency shall have obligations outstanding. The terms of the Members of the Agency shall expire upon the enactment of a local law terminating the Agency's existence and the County Legislature shall constitute the Agency until the effective date of the Agency's expiration. Upon termination of the existence of the Agency, all its rights and properties shall pass to and be vested in the County. No law terminating the existence of the Agency shall be enacted except upon an affirmative two-thirds vote of all the members of the County Legislature.

Section 11.2-Amendments: These bylaws may be amended by a two-thirds majority vote of the Members at any special or regular meeting of the Agency, provided that written notice of the substance of the proposed amendment has been mailed to all Members, within a reasonable time in advance of the meeting at which such action is taken on the amendment.

Section 11.3 –Separability: If any section, subdivision, paragraph, sentence, clause or provision of these bylaws shall be unconstitutional or be ineffective in whole or in part, to the extent that it is not unconstitutional or ineffective, it shall be valid and effective and no other section, subdivision, paragraph, sentence, clause or provision shall on account thereof be deemed invalid or ineffective.