

BY-LAWS
OF
NEW YORK CITY WATER BOARD

(as adopted June 19, 1985)

ARTICLE I – THE BOARD

Section 1. Name of Board. The name of the Board shall be the New York City Water Board (the “Board”).

Section 2. Description. The Board is a body corporate and politic constituting a corporate municipal instrumentality of the State of New York created by and having the powers and functions set forth in the New York City Municipal Water Finance Authority Act, as amended (the “Act”).

Section 3. Membership. The membership of the Board shall consist of such Members as shall be selected and hold offices as provided in the Act.

Section 4. Seal of Board. The Seal of the Board shall be in the form of a circle and shall bear the name of the Board and the year of its creation.

Section 5. Office of Board. The principal office of the Board shall be in the Borough of Manhattan, City of New York, or in such other borough in the City as it may from time to time designate by resolution.

Section 6. Fiscal Year. The fiscal year of the Board shall commence on July 1 of each calendar year and conclude at the close of business on June 30 of the following calendar year. The fiscal year may be changed by resolution adopted at a regular or special meeting of the Board.

ARTICLE II – OFFICERS

Section 1. Officers. The officers of the Board shall be a Chairman, an Executive Director, a Treasurer, a Secretary, and such other officers as may from time to time be appointed by the Members of the Board upon the recommendation of the Executive Director. Each officer shall have the duties and powers conferred upon the

office by these By-Laws, except as otherwise delegated to an officer by the Chairman or the Executive Director or provided by resolution of the Board, and may appoint such assistants as may be required to assist each such officer in the exercise of their powers under these By-Laws and to serve in the absence of such officer with all of the powers and duties ascribed to such office under these By-Laws. A vacancy in any office shall be filled in the manner prescribed for appointment to such office. The Secretary may serve simultaneously as another officer of the Board.

Section 2. Chairman. The Chairman shall preside at all meetings of the Board and shall have such other powers and duties as are prescribed by law or in these By-Laws or as the Members may from time to time determine. At each meeting, the Chairman shall submit such recommendations and information as such Chairman may consider proper concerning the business, duties and affairs of the Board.

Section 3. Executive Director. The Executive Director shall be the chief executive officer of the Board and, subject to the guidelines, directives and delegations of power established by the Members of the Board, shall have responsibility for the general management of the Board's affairs and business and shall exercise general supervision over all activities of the Board, including the initiation, planning and carrying out of the programs, projects and other activities of the Board pursuant to the Act, and in addition shall perform all the duties incident to such position and office. The Executive Director shall have the power to delegate authority and assign duties to employees of the Board. The Executive Director shall have such other powers and duties pertaining to this office as are prescribed by law or in these By-Laws or as may be assigned to such office from time to time by the Members of the Board. Except as otherwise provided by resolution of the Members of the Board, the Executive Director shall make final certification for payment of all duly authenticated and authorized items of expenditure for payment from any corporate funds from whatever sources derived.

Section 4. Treasurer. The Treasurer shall be the chief financial officer of the Board and shall have all the powers and duties customarily incident to the office, including the maintenance of the Board's system of books and accounts, preparation of

periodic financial statements, supervision of investment practices and certification of items of expenditure for payment. In the absence or incapacitation of the Treasurer, such officer's powers and duties shall be delegated to such other officer as may be designated by the Chairman or the Executive Director to act as Treasurer.

Section 5. Secretary. The Secretary shall issue notices of all meetings of the Members as required by law and by these By-Laws. The Secretary shall keep the records of the Board and shall be custodian of all books, documents and papers filed with the Board, of the minute books of the Board and of its official seal. The Secretary shall attend the meetings of the Board and record all votes and keep a record of the proceedings of the Board in proper books provided for such purpose and shall perform all duties incident to the office of the Secretary. The Secretary shall have the power to affix the corporate seal to all contracts, documents, bonds or other obligations and instruments to be executed by the Board and to attest to the same, as required by law, and may cause copies to be made of all minutes and other records and documents of the Board and may give certificates under the official seal of the Board to the effect that such copies are true copies, and all persons dealing with the Board may rely upon such certificates.

Section 6. 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.

Section 7. Election or Appointment. All officers of the Board, other than the Members, shall hold office at the pleasure of the Board and may be removed, either with or without cause, at any time by resolution of the Board. The Executive Director, Treasurer and Secretary shall be appointed by a resolution of the Board. Any person appointed to fill the aforementioned offices or any vacancies of such office shall have such term as the Board may fix in such resolution.

Section 8. Personnel. The Board may from time to time employ such personnel 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 Board subject to applicable law.

ARTICLE III – MEETINGS

Section 1. Annual Meeting. The Annual Meeting of the Board shall be held on the last Friday of April of each year, or on such earlier or later date in each calendar year as may be designated in the notice or waiver of notice of such meeting.

Section 2. Other Meetings. Other meetings of the Board may be called by the Chairman or the Executive Director, and shall be called by the Executive Director upon the written request of two of the Members.

Section 3. Notice. Notice specifying the time and place of each annual meeting of the Board shall be given by mail to each Member at least five calendar days prior to the meeting date or, in the case of a special meeting of the Board, shall be given in a manner reasonably designed to achieve such notice at least twenty-four hours prior to such meeting. Except as otherwise provided in Article IV, relating to the amendment of these By-Laws, any and all matters may be considered and acted upon at any meeting of the Board at which a quorum is present, whether or not such matters were specified in the notice of meeting. Notices by mail shall be deemed to have been given when mailed to each Member at the appropriate address appearing on the records of the Board, and notice by telegram shall be deemed to have been given when presented for transmission to an office of the telegraph company, addressed as in the case of notices by mail.

Section 4. Waiver of Notice. Failure to give notice of any meeting of the Board may be waived in writing by a Member. Notice of an adjourned meeting need not be given to any Member present at the time of the adjournment.

Section 5. Quorum and Voting. At all meetings of the Board, a majority of the Members shall constitute a quorum and be necessary for the transaction of any business or the exercise of any power of the Board. A majority of the Members present at any meeting, whether or not constituting a quorum, may adjourn the meeting to another time and place or until a quorum shall be present.

Section 6. Participation in Meeting by Telephone. Notwithstanding anything elsewhere contained in these By-Laws and to the extent permitted by applicable law, any one or more Members may participate in a meeting of the Board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear and respond to each other at the same time. Participation by such means shall constitute presence in person at a meeting of the Board.

Section 7. Approval of Resolutions Without Meeting. To the extent permitted by law, resolutions which the Chairman or Executive Director desire to be considered by the Members of the Board without holding a meeting thereon may be delivered in person or mailed to the business or home address of each member and upon the written approval of such resolutions by four or more of the Members, the same shall become effective as if introduced and passed at a meeting of the Members duly called and held.

ARTICLE IV – AMENDMENT OF BY-LAWS

Section 1. The By-Laws may be suspended, altered, amended or repealed at any meeting of the Board by the unanimous vote of all the Members then in office or, if notice of the proposal to suspend, alter, amend or repeal shall have been included in the notice of the meeting at which such action is taken, by the affirmative vote of at least four Members which may include the Chairman.

ARTICLE V – INDEMNIFICATION

Section 1. General Scope of Indemnification. The Board shall, to the fullest extent permitted by law, provide for and indemnify any person, 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 Board or served, at the request of the Board, as a director or an officer or employee 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, director, officer or employee acted 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.

Section 2. 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, director, 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 Board or that such person had reasonable cause to believe that any such action or conduct was unlawful.