

**BYLAWS
OF
NEW FLORENCE-ST. CLAIR TOWNSHIP SANITARY AUTHORITY**

ARTICLE 1: NAME AND LOCATION OF AUTHORITY

The name of the authority is New Florence-St. Clair Township Sanitary Authority (the "Authority"). Its initial office shall be located at the New Florence Borough Municipal Building, 164½ Franklin Street, New Florence, Pennsylvania 15944.

ARTICLE 2: PURPOSE

The Authority is a municipal authority organized pursuant to the Municipality Authorities act of 1945, 53 P.S. Section 301, et seq. (the "Act").

Section 2.1 Specific Corporate Purposes. The Authority's corporate purposes shall be the development and, if feasible, construction and continuing operation of sewage facilities for New Florence Borough and certain areas of St. Clair Township bounded by Boswell Road to the East, Fairfield Township to the South and West, and the Conemaugh River to the North, consistent with an Act 537 Sewage Facilities Plan for New Florence Borough and St. Clair Township, Westmoreland County, submitted to the Pennsylvania Department of Environmental Protection on May 19, 2000.

Section 2.2 General Powers. The Authority shall have such other general powers as are authorized by the Act to the extent that such general powers are not inconsistent with the specific purposes granted to the Authority by New Florence Borough and St. Clair Township (the "Incorporating Municipalities").

ARTICLE 3: GOVERNING BOARD

Section 3.1 Members and Terms. The governing Board of the Authority shall consist of seven (7) members, three (3) of whom shall be residents of and appointed by New Florence Borough, and three (3) of whom shall be residents of and appointed by St. Clair Township. The seventh (7th) Board seat shall be filled by New Florence Borough for the initial one (1) year term. Beginning with the Terms of Office commencing on the first (1st) Monday in January, 2002, members shall be appointed by the Incorporating Municipalities on a rotating basis in accordance with Exhibit I attached hereto and incorporated herein by reference. An individual filling a vacant Board seat may be a resident of either New Florence Borough or St. Clair Township.

Section 3.2 Vacancies. When a vacancy in the membership of the governing Board of the Authority shall occur, or is about to occur, by reason of the expiration of the term of any member,

the Incorporating Municipality which is responsible to fill the vacancy shall appoint a member to the Authority Board to fill the vacancy. If a vacancy occurs in the membership of the Authority Board as a result of the death, resignation, or removal of an Authority board member, then the Incorporating Municipality which appointed the individual who has died, resigned, or been removed shall appoint a new member to serve on the Authority Board until the expiration of the deceased or terminating Board member's term. The appointing municipality may reappoint an Authority member whose term is expiring to an additional term without restriction.

Section 3.3 Initial Board; Designation of Seventh Authority Position. The names, addresses and terms of office of the first (1st) members of the Board of the Authority are:

<u>Name</u>	<u>Address</u>	<u>Terms of Office beginning on date of appointment for period of</u>
Charles W. Adams	199 17th St., New Florence, PA 15944	5 Yrs. after January 1, 2001
Fred E. Wood, Jr.	R.D.3, Box 88, New Florence, PA 15944	4 Yrs. after January 1, 2001
Ralph E. Krider	P. O. Box 265, New Florence, PA 15944	3 Yrs. after January 1, 2001
Greg Ludwig	PO Box 3, 156 Franklin St., New Florence, PA 15944	2 Yrs. after January 1, 2001
James Luther	R.D.1, Box 268, New Florence, PA 15944	2 Yrs. after January 1, 2001
Shirley Ritenour	P. O. Box 387, New Florence, PA 15944	1 Yr. after January 1, 2001
Joseph W. Rager	P. O. Box 212, New Florence, PA 15944	1 Yr. after January 1, 2001

Subsequently, members shall be appointed by the Incorporating Municipalities on a rotating basis as set forth in Section 3.1.

Section 3.4 Removal of a Member. The Board may adopt internal regulations and recommend the removal of a member to the Incorporating Municipality which appointed that member. A member shall only be removed by the procedures set forth in the Act.

ARTICLE 4: BOARD MEETINGS

Section 4.1 Regular Meetings. Regular meetings of the Authority Board may be held at scheduled times and places as shall be determined by a quorum of the Authority Board Members at their annual reorganization meeting.

Section 4.2 Special Meetings. Special meetings of the Authority Board may be called by the Chairman on one (1) day's notice to each member, given personally or by mail, telephone or facsimile, which notice shall state the time, place and purpose of the meeting. Special meetings of the Authority Board shall be called by the Chairman or Secretary in like manner and on like notice upon the written request of at least two (2) Board members.

Section 4.3 Annual Reorganization Meeting. On the second Monday in January of every year, the Authority Board shall hold a reorganization meeting at which the Authority shall elect Officers; designate a depository bank; appoint a Solicitor, auditor and engineer; designate the dates, time and place for regular meetings to be held in that calendar year; and take any other legal action deemed reasonable or appropriate by the Authority Board.

Section 4.4 Minutes. Copies of the minutes of regular and special meetings shall be maintained by the Secretary in the Authority's minute book.

Section 4.5 Compliance with Sunshine and Right-to-Know Acts. Notwithstanding any provision in these Bylaws, the Authority Board shall advertise its meetings and maintain its records as public documents in full compliance with Pennsylvania law, including, without limitation, the Pennsylvania Sunshine Act, 65 P.S. Sections 271 et seq., and the Pennsylvania Right-to-Know Act, 65 P.S. Sections 66.1 et seq., and any amendments, modifications, or replacements of such laws.

Section 4.6 Compensation. Compensation may be paid to Authority Board members for their services as Board members to the extent permitted by law. Authority Board members may be reimbursed for actual expenses reasonably incurred by them in the performance of their Authority Board duties.

Section 4.7 Quorum. A quorum of the Authority Board shall exist if a majority of the total number of members then serving are present.

ARTICLE 5: OFFICERS

Section 5.1 Designation. The principal Officers of the Authority shall be a Chairman, Vice-Chairman, Secretary and Treasurer, all of whom shall be elected by the Authority Board from among the Board members. The Authority Board may appoint an Assistant Secretary, an Assistant Treasurer and such other Officers as in their judgment may be necessary.

Section 5.2 Election of Officers. The Officers of the Authority shall be elected annually by the Board at its annual reorganization meeting, and unless removed sooner by the Board, the Officers shall serve for a term of one (1) year or until their successors are elected and shall qualify. Any vacancies occurring in offices shall be filled by the Board from time to time. The Board shall appoint such temporary or acting Officers as may be necessary during the temporary absence or disability of the regular Officers.

Section 5.3 Removal. Upon an affirmative vote of a majority of the members of the Authority Board, any Officer may be removed and his/her successor elected at any regular meeting of the Authority Board or at any special meeting called for such purposes.

Section 5.4 Chairman. His/Her powers and duties shall be as follows:

- a. He/She shall preside at all meetings of the Authority Board.
- b. He/She shall have the power to appoint committees from time to time which in his/her discretion may be deemed appropriate to assist in the conduct of the affairs of the Authority.
- c. He/She shall have all the general powers and duties which are usually vested in the office of the Chairman of a municipal authority.

Section 5.5 Vice-Chairman. In the event that the Chairman is unable to chair a regular meeting of the Authority Board, the Vice-Chairman shall serve as Chairman for purposes of that meeting and shall perform the duties and exercise the powers of the Chairman.

Section 5.6 Secretary. The Secretary shall keep the minutes of all meetings of the Board. He/She shall have custody of the seal of the Authority, and of such other books and records of the Authority as the Board may provide. He/She shall perform the duties and functions customarily performed by the Secretary of a municipal authority, together with such other duties as the Authority Board may prescribe.

Section 5.7 Treasurer. The Treasurer shall have access to the Authority funds and securities, and oversee accurate accounting of all receipts and disbursements in books belonging to the Authority and shall assure the deposit of all monies and other valuable effects in the name of and to the credit of the Authority in such depositories as may be designated by the Authority Board. He/She shall oversee disbursement of funds of the Authority as may be ordered by the Authority board, review proper vouchers for such disbursements, and shall render an account of all his/her transactions as Treasurer and of the financial condition of the Authority whenever called upon to do so. The Treasurer shall also be bonded with a bond to be obtained by the Authority. The same person may serve as Secretary and Treasurer.

ARTICLE 6: INDEMNIFICATION

Indemnification of Officers and Board Members. To the full extent permitted by Pennsylvania law, the Officers and Board members of the Authority shall be immune from civil liability. To the extent that the Officers and/or Board members may be subject to any civil liability as a result of their service as Officers or Board members, the Authority shall indemnify any Officers or members of the Board of the Authority for expenses and costs (including attorneys' fees) actually and necessarily incurred by him/her in connection with any claims asserted against him/her, by action in court or otherwise, by reason of his/her being or having been such Officer or member of the Board, except in relation to matters in which he/she shall have been guilty of gross negligence or criminal misconduct with respect to the matter for which indemnity is sought. The Authority shall have the right to purchase insurance to cover its Officers' and/or Board members' indemnification obligations.

ARTICLE 7: AMENDMENT

Except as otherwise prohibited by applicable law, these Bylaws may be amended by the Incorporating Municipalities, pursuant to the Act. The Authority Board may, by affirmative vote of two-thirds (2/3) of its active members, recommend to the Incorporating Municipalities that a Bylaw Amendment be adopted. Such Resolution shall not be binding upon the Incorporating Municipalities.

ARTICLE 8: DISSOLUTION

The Authority may only be dissolved in accordance with the provisions of the Act, as the same may be amended.

ARTICLE 9: FINANCE

Section 9.1 Fiscal Year. The Authority's fiscal year shall be based on a calendar year.

Section 9.2 Signatures. The signatures of at least two (2) Authority Officers shall be required to issue any funds from Authority accounts.