

**BY-LAWS
of the
EASTERN SHORE OF VIRGINIA PUBLIC SERVICE AUTHORITY**

ARTICLE I – FORMATION

The Eastern Shore of Virginia Public Service Authority (the “Authority”) was created by ordinances duly adopted on September 22, 1999, by Accomack County and Northampton County and chartered by the State Corporation Commission of the Commonwealth of Virginia (the “SCC”) on November 23, 1999. By ordinance adopted by Accomack County on December 15, 1999, and by Northampton County on December 13, 1999, and charter amendment issued by the SCC on December 29, 1999, said Articles were amended. As of April 10, 2000, the Authority is awaiting receipt of a second charter amendment pursuant to ordinance adopted by Accomack County on March 15, 2000, and Northampton County on March 13, 2000. The powers and authorities of the Authority are those afforded to it by its charter, its charter amendments, and the Virginia Water and Waste Authorities Act (the “Act”).

ARTICLE II – THE AUTHORITY

Section 1. Name of the Authority. The name of the Authority shall be “Eastern Shore of Virginia Public Service Authority”, hereinafter referred to as the “Authority”.

Section 2. Seal of Authority. The seal of the Authority shall be as adopted by the Authority.

Section 3. Office of the Authority. The principal office of the Authority shall be the Enterprise Building, 23372 Front Street, Accomac, Virginia 23301. The Directors may designate additional offices at such other places and at such times as the affairs of the Authority may from time to time require.

ARTICLE III – MEMBERS

The members of the Authority shall be those localities identified in the Articles of Incorporation, or in any Articles of Amendment thereto.

ARTICLE IV – AREA OF OPERATION

The area of operation of the Authority shall be the unincorporated portions of the Counties of Accomack and Northampton, Virginia. The Authority shall further, subject to the powers and limitations of the Virginia Water and Waste Authorities Act, section 15.2-51 *et seq* of the Code of Virginia of 1950, as amended, have the right to operate within the territorial boundaries of any municipality not included in the area of operation.

ARTICLE III – BOARD OF DIRECTORS

The powers of the Authority shall be vested in its Board of Directors. There shall be six (6) Directors, three (3) of whom shall be appointed by the Accomack County Board of Supervisors and three (3) of whom shall be appointed by the Northampton County Board of Supervisors. The term of office of the initial appointees to the Board of Directors, and of their successors, shall be as provided in the Authority's Articles of Incorporation and subsequent amendments thereto. If a vacancy occurs by reason of the death, disqualification or resignation of a Board member, the governing body of the political subdivision which appointed the Authority Board member shall appoint a successor to fill the unexpired term. Whenever a political subdivision withdraws its membership from the Authority, the term of any Board member appointed from such political subdivision shall immediately terminate.

ARTICLE VI – OFFICERS AND DUTIES

Section 1. Officers. The Board shall elect a Chairman and Vice-Chairman each of whom shall be an Authority Board member, and each of whom shall serve for a term of one (1) year

which shall coincide with the fiscal year of the Authority. However, each shall hold office until his/her successor is elected. The Chairman and Vice-Chairman shall be elected for the ensuing Fiscal Year at the last meeting of the Fiscal Year. The person designated as Executive Director by the Board shall also serve as Secretary-Treasurer of the Board, and he/she shall not be a member of the Board but shall serve at the pleasure of the Board.

Section 2. Chairman. The Chairman shall preside at all meetings of the Authority. Except as otherwise provided by resolution of the Authority, the Chairman shall sign all contracts, deeds, and other instruments that may be authorized by the Authority. The Chairman shall further have such powers as may be incidental or inherent with this office, or that may be specifically authorized by the Authority. At any such meeting of the Authority, the Chairman shall submit such recommendations and information as such Chairman may consider proper concerning the business, affairs, and policies of the Authority.

Section 3. Vice-Chairman. The Vice-Chairman shall perform the duties of the Chairman in the absence or incapacity of the Chairman, and, in case of the resignation or death of the Chairman, the Vice-Chairman shall perform such duties as are imposed on the Chairman until such time as the Authority shall elect a new Chairman.

Section 4. Secretary-Treasurer. The Secretary-Treasurer shall be the Executive Director of the Authority, and as such, shall have general day to day supervision over the administration of its business and affairs, subject to the Authority and direction of the Authority. He or she shall be charged with the management of the water and waste projects of the Authority.

The Secretary-Treasurer shall keep the records of the Authority, shall act as Secretary of the meetings of the Authority and record all votes, and shall keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties

incident to the office. The Secretary-Treasurer shall keep in safe custody the seal of the Authority and shall power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

The Secretary-Treasurer shall have the care and custody of all funds of the Authority and shall deposit the same in the name of the authority in such bank or banks as the Authority shall select. The Secretary-Treasurer shall sign all orders and checks for the payment of money and shall pay out and disburse such monies at the direction of the Authority. Except as otherwise provided by resolution of the Authority, all such orders and checks shall be countersigned by the Chairman or Vice-Chairman. All persons authorized to sign checks and warrants for the authority, or otherwise handle Authority funds, shall first be duly bonded by a certified and licensed bonding company. The cost of such bonding shall be borne by the Authority and shall be in such amounts as determined by the Board. The Secretary-Treasurer shall keep regular books of accounts showing receipts and expenditures and shall render to the Authority, at each regular meeting an account of the transactions and also an account of the financial condition of the Authority. The Secretary-Treasurer shall give such bond for the faithful performance of his or her duties as the Authority may determine.

Section 5. Election or Appointment. The Chairman and Vice-Chairman shall be elected at a regular meeting of the Authority to be held not less than two (2) months prior to the end of the fiscal year. Terms of office shall be for one (1) year, beginning on the first day of the fiscal year, or until a successor is elected and qualifies. No member of the Authority, except the Secretary-Treasurer, shall hold the same office more than three (3) consecutive terms.

The Secretary-Treasurer shall be appointed by the Authority. Any person appointed to fill the office of Secretary-Treasurer shall be appointed for such term as the Authority may fix.

No Board member of the Authority shall be eligible for appointment to this office except as a temporary appointee pending the appointment of a full time Secretary-Treasurer.

Section 6. Vacancies. A vacancy in any office shall be filled for the unexpired portion of the term by the Authority at any regular meeting or at a special meeting called for that purpose.

Section 7. Additional Personnel. The Authority may from time to time employ such personnel as it deems necessary to exercise its powers, duties and functions as prescribed by the Virginia Water and Waste Authorities Act and all other laws of the commonwealth of Virginia applicable thereto. The selection and compensation of such personnel (including the Secretary-Treasurer) shall be determined by the Authority subject to the laws of the Commonwealth of Virginia.

The Secretary-Treasurer, Executive Director of the Authority, shall have direct supervision of all staff employees of the Authority.

ARTICLE VII – MEETINGS

Section 1. Regular Meetings. The Authority shall have the power to set the dates, times, and places of regular meetings of the Authority which shall not be less frequent than twice a year. At least one (1) meeting shall be held not less than two (2) months prior to the end of the fiscal year.

Section 2. Special Meetings. The Chairman of the Authority or the Secretary-Treasurer may, when deemed expedient, call a special meeting of the Authority for the purpose of transacting any business designated in the call. The call for a special meeting may be mailed to the business or home address of each Board member of the Authority at least five (5) days prior to the date of such special meeting. Any Board member may waive, either prior or subsequent to any such meeting, in writing any such required notice. Presence at any such meeting, other than

for the purpose of objecting to notice, shall be deemed a waiver of notice. At such meeting, no business shall be considered other than as designated in the call, except that if all of the Board members of the Authority are present at such special meeting, any business including business not prescribed in said notice may be transacted at such special meeting.

Section 3. Quorum. A majority of the Board members of the Authority shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes.

Section 4. Manner of Voting. The voting on all questions coming before the Authority shall be by roll call, and the yeas and nays shall be entered upon the minutes of such meeting. All actions taken by the Authority shall require a majority vote of all Board members.

Section 5. Order of Business. At the regular meetings of the Authority, the following shall be the order of business.

1. Call to order
2. Approval of the minutes of the previous meeting
3. Approval of bills and financial statement
4. Report of the officers
5. Report of committees
6. Unfinished business
7. New business
8. Adjournment

The order of business may be altered or suspended at a meeting by a majority vote of the Board members present. Parliamentary rules as established by Roberts Rules of Order shall govern when not otherwise in conflict with these by-laws.

ARTICLE VIII – COMMITTEES

The Board may create standing committees and charge such committees with defined responsibilities on an ongoing basis. The Board will specify the number of persons to serve on each standing committee. The Board or the Chairman may from time to time create ad hoc committees to carry out specific assignments, the members of which shall serve at the will and pleasure of the Board, or if created by the Chairman, at the will and pleasure of the chairman. The Chairman shall appoint a committee only if authorized by the Board. Standing committees shall be for the period of July 1st or June 30th or for the unexpired terms ending on June 30th. No more than two (2) Directors may serve on any one committee. Non-Directors officers maybe appointed as may any adult citizen who residents in any of the member localities.

ARTICLE IX – AMENDMENTS

The by-laws of the Authority may be amended or repealed, in whole or in part, at any meeting of the Authority by an affirmative vote of two-thirds (2/3) of all Board members at any duly established or called meeting of the Authority. Notice of all amendments must be mailed or delivered to the Board members at least thirty (30) days prior to such meeting.

ARTICLE X – COMPENSATION

Subject to approval by the Boards of Supervisors, each Board member of the Authority may be paid for their service a fee not to exceed one hundred and fifty dollars (\$150) per month. In addition, each Board member of the Authority shall be reimbursed for travel and other expenses in accordance with policies established for staff expenditures.

ARTICLE XI – GENERAL POWERS OF THE AUTHORITY

The Authority shall have all the powers, duties and responsibilities of the Virginia Water and Waste Authorities Act under Title 15.2 of the Code of Virginia of 1950, as amended.

ARTICLE XII – FISCAL YEAR

The fiscal year of the Authority shall be from the first day of July to the thirtieth day of June, inclusive.

ARTICLE XIII – INCONSISTENCY OR CONFLICT WITH TITLE 15.2

In the event that any provision of these by-laws is inconsistent with or in conflict with Title 15.2 of the Code of Virginia of 1950, as amended, said statutory provision or provisions shall be deemed to apply and supercede any such inconsistent or conflicting provision or provisions of any by-law or by-laws.

ARTICLE XIV – CONSISTENCY WITH ARTICLES OF INCORPORATION

No provision of these by-laws shall be inconsistent with the Authority’s Articles of Incorporation or Articles of Amendments.

BY-LAWS AMENDMENT 1

EXECUTIVE COMMITTEE

A standing Executive Committee shall consist of the Chairman, Vice Chairman and Immediate Past Chairman. The Executive Committee shall have the authority to transact regular business of the Authority and to advise staff on emergency matters during the interim between monthly meetings of the Board of Directors

Adopted by the Board of Directors on February 19, 2004