

BY-LAWS OF THE PASCOAG UTILITY DISTRICT*

ARTICLE I - MEMBERS

*Section 1. Qualified voters shall be eligible to vote ~~and act in all for matters specified in these By-Laws at designated~~ meetings of the Pascoag Utility District. A “qualified voter” is (1) any person whose name appears on an active account with the Pascoag Utility District; and (2) in addition, who either resides in the Village of Pascoag or who owns property in the Village of Pascoag.

*Section 2. Qualified voters wishing to add an additional name to an active PUD account must do so by the date of the Canvassers Meeting. There will be a maximum of two names allowed on any active PUD account.

*Section 3. A valid driver’s license or other photo ID will be required to be presented, by all qualified voters, when appearing for voting at an Annual/Special Meeting.

ARTICLE II - MEETINGS

*Section 1. The annual meeting of the Pascoag Utility District shall be held on the first Monday of December in each year. The Clerk of said District shall, at least ~~fifteen~~ fourteen calendar days before such meetings, give notice of the same, setting forth the time and place of said meeting:

(a) By posting conspicuously in public places within the Village of Pascoag not less than five written or printed notices, and

(b) By publication of said notice within a publication of general circulation within said District.

*Section 2. Special meetings may be called by ~~one hundred or more persons, qualified to vote in District affairs, or by~~ the Chairperson of the Utility Commissioners. ~~Excepting as to those meetings noticed pursuant to Articles VI and VII, notice of special meetings shall be given in the same manner and within the same time as given for annual meetings.~~

*Section 3. All meetings, whether annual or special, shall be at some suitable place within the limits of the District or within the limits of the Town of Burrillville. ~~On those issues subject to rate payer approval, t~~Twenty-five voters shall constitute a quorum as it pertains to votes required under Article VI.

*Section 4. In giving notice of annual and special meetings, the Clerk shall also give notice of the time and place of the holding of a prior meeting for the purpose of canvassing and correcting the voting list, to be used at such annual or special

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meeting. The Board of Utility Commissioners shall act as a Board of Canvassers. The voting list to be used at any meeting of the District, annual or special shall be canvassed by said Board of Utility Commissioners no less than four calendar days prior to the date of such meeting, not more than ten and not less than five days before the date of such meeting.

~~*Section 5. In connection with votes taken at annual or special meetings regarding any single expenditure in excess of the sum of \$50,000.00, no vote approving said expenditure shall be valid unless all of the following conditions have been complied with:~~

~~(a) Written notice of said expenditure must be received by the Board of Commissioners at least thirty (30) days prior to the meeting date who will then deliver this notice to the Clerk; and~~

~~(b) Written notice of said expenditure must be given within the notice described in Article II, Section 1(a) and (b) herein; and~~

~~(c) The vote shall be by ballot and shall require two thirds of the votes cast at said meeting if a quorum is reached; and~~

~~(d) Should a quorum not be reached at said meeting, the Board of Utility Commissioners may include said expenditure(s) as an action item on the agenda at the next scheduled Board meeting. The Board may approve the expenditure(s) by a majority vote.~~

~~*Section 6. The provisions and procedure set forth in Section 5 shall not apply to any expenditures or contracts subject to the jurisdiction of any regulatory authority such as the Rhode Island Public Utilities Commission.~~

ARTICLE III - OFFICERS

~~*Section 1. The officers of this District shall consist of a Moderator, a Clerk, a Treasurer, a Collector of Taxes, and a Board of Utility Commissioners of five members. Each officer shall be a qualified voter of the District, and in accordance with the R.I. Constitution, Article III, § 2, an elector shall be disqualified as a candidate for elective office or from holding such office if such elector has been convicted of or plead nolo contendere to a felony or if such elector has been convicted or plead nolo contendere to a misdemeanor resulting in a jail sentence of six months or more, either suspended or to be served. Such elector shall not, once so convicted, attain or return to any office until three years after the date of completion of such sentence and of probation or parole. Each member of the Board of Utility Commissioners must also sign and abide by the Pascoag Utility District Code of Ethics and Conduct before starting his/her term in office.~~

~~*Section 2.~~ Said persons qualified to vote at each annual meeting shall elect, by ballot and a majority, a Moderator and a Clerk. The officers elected shall take charge of their duties at a reorganizational meeting to be held within seven (7) calendar days of the annual meeting during which they are elected, and they will serve until the next reorganizational meeting that follows an annual meeting subsequent to the expiration of their term. Their duties and powers within said District shall be such as like officers in towns of this State. -The Treasurer shall be elected by a majority of the Board of Utility Commissioners. Said election shall be held at a reorganizational meeting to be held within seven (7) calendar days of the ~~adjournment of each~~ annual meeting and said Treasurer shall hold office for one year or until his/her successors shall be elected and qualified. The duties of said Treasurer shall be those as designated by the Board of Utility Commissioners and shall bear a reasonable relation to; such officers in towns of this State. No members of the Board of Utility Commissioners shall ~~be qualified to~~ serve as Treasurer ~~or Collector of Taxes~~.

All officers, including the Treasurer ~~and Collector~~, shall be required to furnish carry no less than a \$50,000.00 fidelity bond or a \$500,000.00 surety bond guaranteeing the full and faithful performance of their duties, provided, however, that all premiums incurred for said bonds shall be paid by the District.

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Officers and employees of the District may be indemnified by the District for claims not covered or beyond the limits of insurance coverage relating to good faith conduct or actions within the scope of authority. Such indemnification, once approved at an annual or special meeting, may be authorized to continue until revoked or amended at a subsequent annual or special meeting.

~~*Section 3.~~ ~~Said voters at each annual meeting may elect, by ballot and by a majority, one assessor of taxes to serve for a period of three years. The duties and powers of the Assessor of Taxes within the District shall be such as like officers of towns in this State.~~ If any vacancy shall occur for the position of Treasurer, the Board of Utility Commissioners shall fill the vacancy until such time as a person is elected at the next annual meeting to fill the unexpired term.

~~*Section 4.~~ The entity fully responsible for the day-to-day operations of the water and electric departments shall be the Board of Utility Commissioners. Said Board of Utility Commissioners shall be composed of five members as follows:

(a) Two members of the Board of Utility Commissioners shall be elected ~~and qualified~~ at each annual meeting by ballot and by a majority of qualified voters for three year terms in each of two consecutive years.

(b) Each third year, ~~at the annual meeting, one member of the Board of Utility Commissioners shall be elected at the annual meeting by ballot and by a majority of~~

~~those eligible to vote~~ qualified voters shall elect and qualify one member by ballot and by a majority for a three year term.

(c) In order to be eligible to be elected as an officer ~~member~~, and/or to ~~retain membership~~ remain an officer once elected, the party must not have a water or electric account that is more than 60 calendar days in arrears, unless the party is in "protected status" or qualified for other exemptions granted by the Rhode Island Public Utilities Commission.

At all meetings of the Board of Utility Commissioners, a majority of the number of members then in office shall constitute a quorum, but a lesser number may adjourn the meeting from time to time until a quorum is present.

The Board of Utility Commissioners shall have the following responsibilities:

(1) Full charge, control, and management of all of the property of the District, including real estate.

(2) Authority to exercise all of the powers and functions necessary for the full management of the water and electric departments.

This authority includes exercising the District's powers granted to it as a domestic electric utility to participate in electric generating facilities under Chapter 20 of Title 39 of the General Laws. Contracts authorized by Section 3 of Title 20 of Chapter 39, including contracts to carry out projects thereunder, may be entered into by resolution of the Board of Utility Commissioners. Such contracts may contain provisions including, but not limited to, provisions for prepayment, non-unanimous amendment, arbitration, delegation, covenants to charge rates sufficient to meet the obligations of the District, including its obligations under such contracts, and other matters deemed necessary or desirable to carry out the purposes of the contracts. Any such contract may also provide, in the event of default by any party thereto in the performance of its obligations thereunder, for other parties to assume the obligations and succeed to the rights and interests of the defaulting party, pro rata or otherwise as may be agreed upon in the contract. The obligations of the District under such contracts shall not at any time be included in the debt of the District for the purpose of ascertaining its borrowing capacity. Entry into such contracts and the making of payments required by such contracts shall not be subject to any requirement of authorization or approval by the voters of the District. Contracts made by others to carry out or operate projects in which the District is a participant but not the lead or managing participant shall not be subject to laws relating to public contracts by reason of the participation of the District.

(3) Subject to any applicable rate-making authority:

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(a) ~~the~~The power to set electric rates and authorize the wholesale purchase of electric power and interest in electric generating facilities, and

(b) to exercise the authority of the District to furnish and distribute water and electricity throughout the District or beyond the same, in the Town of Burrillville, or authorize the same to be done, regulate the use thereof and the price to be paid therefor, within and without the District. Said District ~~(s), for the purposes aforesaid, may carry any works to be constructed or authorized to be constructed by them (or the District), over or under any highway, turnpike, railroad or street, in such manner as not to permanently obstruct or impede travel thereon; and~~ may enter upon and dig up any highway, turnpike, roads or streets for the purpose of erecting lampposts and means of conveying electricity, and laying down of pipes for carrying water, or building aqueducts for carrying water upon or beneath the surface thereof, or for the purpose of repairing the same.

(4) Computation and approval of yearly proposed budgets ~~for submission at annual meetings,~~ which shall include payments of any indebtedness that has been or may be incurred by the District including, but not limited to, payments on all bonds outstanding by the District.

(5) Election of officers of said Committee and Sub-committees, including the election of a Chairman, within said Board of Utility Commissioners.

(6) The Board of Utility Commissioners, in addition to such other powers and duties included herein shall have full power to:

(a) Enter into any contract or agreement, including borrowing powers for purchases ~~to an amount not exceeding \$50,000.00 or by approval as provided in Article II Section 5 herein for amounts exceeding \$50,000, with other parties~~ for the purpose of supplying water, electric, and any and all other utilities and to include contracts for capital improvement expenditures, subject to any applicable rate-making authority. Any extraordinary expenses that fall outside of the approved annual budget will be deliberated by the Board of Utility Commissioners prior to being incurred.

~~Provided, however, that as to capital improvements of any of the utility systems or for other expenditures whereby the amount involved shall exceed \$50,000.00, said improvements or expenditures shall first be so authorized with notice and a vote in the same manner as required in Article II Section 5 herein for expenditures exceeding \$50,000.00 proposed by voters at any meeting.~~

Provided, ~~further~~however, that nothing herein contained shall limit the expenditure by the Board of Utility Commissioners of any part of the receipts from the bond issue for the purchase, extension and improvement of any of the utility systems under its jurisdiction heretofore authorized by the ~~District~~Board of Utility Commissioners.

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(b) Appoint a ~~superintendent of each or both of the systems~~ General Manager under the jurisdiction of the Board of Utility Commissioners, ~~or and~~ delegate such authority to the General Manager~~(s)~~.

(c) Fix the personnel policies and salaries for all paid employees of the District who shall be under the advice and control of said Board of Utility Commissioners.

(d) Appoint a Finance Sub-Committee of not less than ~~three~~ two from their own members who shall carefully scrutinize and audit all claims and demands made by any creditor of the District, ~~and the Treasurer shall pay no claims, accounts or demands unless the same be approved by the said Sub-Committee or by a majority thereof.~~

(e) Employ a Certified Public Accountant to audit the accounts of the Treasurer ~~and Tax Collector~~ and obtain legal and other professional services whenever they deem necessary.

~~The Board of Commissioners shall be the Board of Abatement with power to abate Electric and Water taxes according to law, upon recommendation by the Tax Assessors.~~

Said Board of Utility Commissioners shall make a full and complete report at each annual meeting of all of its utility systems under its jurisdiction and such other transactions and events of the year that they may deem necessary.

~~*Section 6. Whenever a vacancy shall occur in any office of the corporation resulting from death, resignation, code of ethics violation, or by neglect or refusal to qualify of any officer etc., the Board of Utility Commissioners may fill the same until the next annual election of such officers, provided, however, the position is advertised to solicit letters of interest in the position, and that the Board shall then determine the eligibility and qualifications of any such interested party -and may in its discretion either appoint a qualified person or it may instead decide not to fill the position, and that as to the Board of Utility Commissioners, a member may be removed, the seat may be declared vacant, and a successor elected for the remainder of the term if as a result of three consecutive absences from committee meetings without good cause such vote is approved by a majority at an annual or special meeting of the remaining Board of Utility Commissioners.~~

~~Any party interested for an appointment in any office of the corporation per this Section 6 whose water or electric account is more than 60 days in arrears shall not be eligible for such appointment, unless the candidate is in "protected status" or qualified for other exemptions granted by the Rhode Island Public Utilities Commission.~~

Whenever from any cause there shall be vacancies on the Board of Utility Commissioners so that there shall not be sufficient members to form a quorum, the Clerk or Chairperson of said Board of Utility Commissioners shall call a special meeting, at which meeting such vacancies shall be filled.

~~*Section 7. The Clerk shall have present at all annual meetings or special meeting pertaining to Article VIs a list of voters qualified to vote, examined and approved by the Board of Utility Commissioners and certified by the Chairperson and Secretary of said Committee, which list it shall be the duty of the Committee to provide. The Clerk or designee shall keep full, fair and accurate minutes of the proceedings of the District at all its meetings, recording in full all resolutions and votes therein, except motions to adjourn and like formal matters, to which end the Moderator, when requested to do so by the Clerk, shall require motions and resolutions to be reduced to writing by the members offering the same. The Clerk or designee shall give due notice of all meetings of said District as are required by these By-Laws and or the laws of the state of Rhode Island and shall otherwise discharge all the duties appertaining to this office under the Charter and By-Laws of the District. If the Clerk isbe absent at any meeting, a temporary clerk may be elected by ballot by a majority of the votes cast~~designated by the Board of Utility Commissioners.~~~~

~~*Section 8. The AssessorsBoard of Utility Commissioners may annually levy and assess a tax~~determine rates at such a rate~~ as may be deemed necessary in the sole and absolute discretion of the persons qualified to vote in District affairs at any of the legal meetings of the District by the Board of Utility Commissioners to provide all funds necessary for the budget as approved subject to any state regulatory approvals required to pay all current annual expenses, including, but not limited to, interest as it accrues on its duly issued bonds, by vote of the District, on all property within the limits of said District, and on all property otherwise subject to taxation by the District, said levy and assessment to be made by the assessors at such time in each year as by vote of the District may be determined.~~

~~In particular, the persons qualified to vote as described in the Charter, at any of their legal meetings, shall have powers to order such taxes and provide for the assessing and collecting same on the taxable inhabitants and property in the District, as they shall, in their sole and absolutely discretion, deem necessary for:~~

~~(i) purchase, lease or procure real estate, buildings, implements, and apparatus for said Utility District; and~~

~~(ii) the payment of any indebtedness that has been or may hereafter be incurred by the District.~~

~~Such taxes so ordered shall be assessed by the assessor of said District on the taxable inhabitants and property located within the Village of Pascoag, according to~~

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~~the last valuation made by the assessors of the town next previous to said assessments adding, however, any taxable property which may have been omitted by said town assessors or afterwards acquired, and in all cases where the town assessors have included property within the District and property without the District in one valuation, the assessors of the District shall make an equitable valuation of that portion of the same lying within the District, and in the assessing and collecting of said taxes, such proceedings shall be had by the officers of the District, as near as may be, as required to be had by the corresponding officers of towns in assessing and collecting town taxes, and the collector of taxes for the District shall, for the purpose of collecting taxes assessed by the District, have the same powers and authorities as are conferred on the collector of taxes by Title 44 of the General Laws, as the same may have been amended.~~

~~The taxable inhabitants may provide for a deduction from the tax assessed against any person if paid by an appropriate time, or for such penalty by way of percentage on the tax if not paid at the time appointed.~~

~~The assessors of taxes upon completing the assessment for the year shall date and sign the same, properly certified, and shall deposit the same in the office of the Treasurer. The Treasurer shall retain the said assessment until the bond of the collector of taxes has been approved by the Board of Commissioners and delivered to the Treasurer, and the Treasurer upon receipt of said approved bond shall commit all of the aforesaid assessment to the Collector of Taxes of said District for the collection of the same.~~

*Section 9. The Treasurer shall receive and account for all monies arising from the collection of ~~taxes~~ rates, and operation of the departments of the District, and safely deposit the same. All funds together shall be deposited to the accounts of the District.

The Treasurer shall register all bonds issued by authority of the District, and shall at every annual meeting report fully the condition of the District ~~showing receipts and expenditures of the preceding year~~. The Treasurer shall do all acts and things appertaining to this office.

*Section 10. The Pascoag Utility District, for the purpose of paying its indebtedness, cost of property, or necessary expenses or liabilities, may, issue from time to time, its bonds under its corporate name and seal, in such amounts, not to exceed the limit authorized by the General Assembly of the State of Rhode Island & Providence Plantations, and payable at such time and under such conditions as may be approved by the Board of Utility Commissioners.

~~The District shall raise annually, by taxation, a sum which, with its income and utility rates collected, shall be sufficient to pay its current annual expenses, including, but not limited to, interest as it accrues on its duly issued bonds.~~

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ARTICLE IV - DISTRICT SEAL

*Section 1. The seal of said District shall bear the words “Pascoag Utility District, Pascoag, R.I.”, and such other device as the Treasurer of said District may decide. The seal shall be kept by the Treasurer, and, upon demand of the Clerk, the Treasurer shall affix the seal to said Clerk's certificate.

ARTICLE V - AMENDMENTS

*Section 1. These By-Laws may be amended at any duly noticed meeting of the District by a vote of two-thirds of the ~~votes cast provided~~ Board of Utility Commissioners in favor of the amendment. ~~however, that notice of an intention to alter, amend, repeal or adopt new By-Laws has been given and such notice includes an agenda item for such Annual, Special or Board of Utility Commissioners meeting.~~

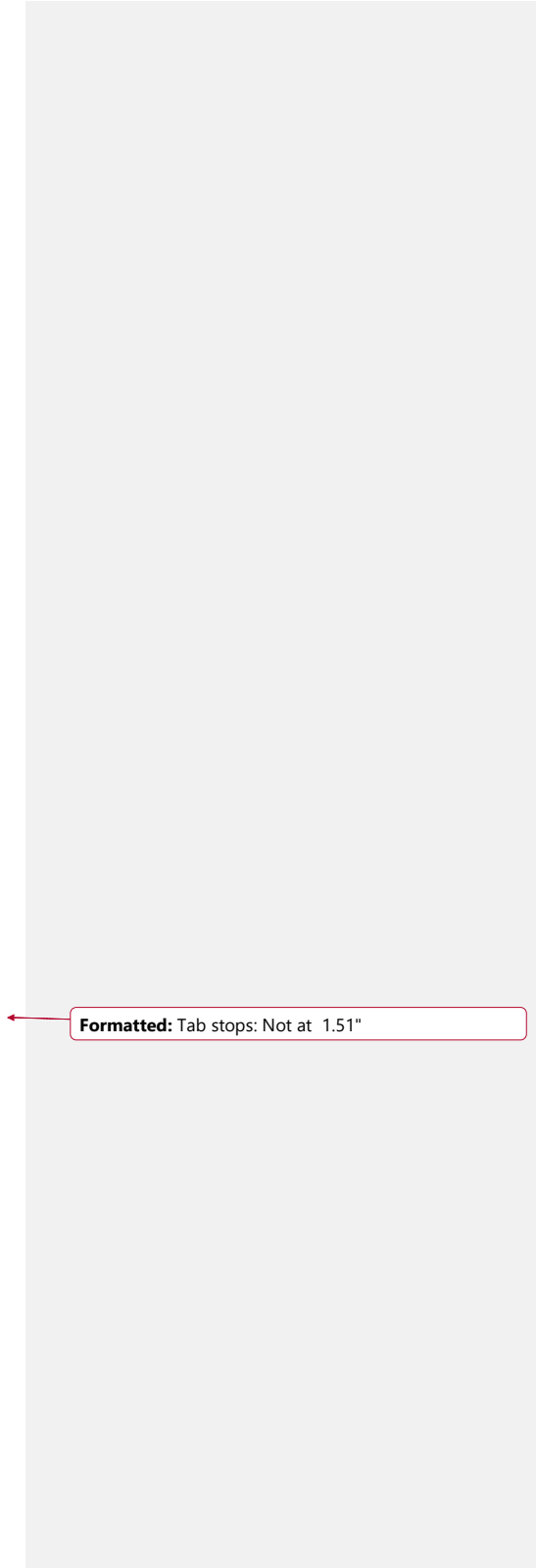
ARTICLE VI - VOTE NECESSARY TO SELL

*Section 1. No vote for the sale or merger of any-an entire Division or Department or sale of all assets of an entire Division or Department of the Pascoag Utility District shall be valid unless all of the following conditions are complied with:

- (a) Said vote shall take place at a special meeting only.
- (b) Written notice of said special meeting shall be sent by the Board of Utility Commissioners to each qualified voter known ~~to be such~~ from the voting list as compiled for the last meeting previously held, at least thirty (30) calendar days prior to the meeting, said notice to contain the referendum question regarding said sale.
- (c) Prior Notice of Intent to sell such designated assets of the District must have been given at a meeting previously held at least thirty calendar days prior to the special meeting prescribed herein.
- (d) At the special meeting to be held to vote on the referendum question of the sale or merger of an entire Division or Department or sale of all assets of an entire Division or Department of the Pascoag Utility District ~~disposing of the assets of the District,~~ an affirmative vote to sell shall require a quorum of at least 100 qualified voters, with at least 75 percent of a three-quarters vote of the such votes cast by qualified voters being in the affirmative.

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