

## BYLAWS

### NORTH OAKLAND COUNTY WATER AUTHORITY

#### ARTICLE I: Name and Address

Name. The name of the authority is the North Oakland County Water Authority(hereinafter referred to as the “NOCWA” or the “Authority”). The address of the Authority is Department of Public Services, 1000 Rochester Hills Drive, Rochester Hills Michigan 48309.

#### ARTICLE II: Members

Section 1. General Powers: The business and affairs of the Authority shall be managed by its Members only to the extent as agreed to by the Members of NOCWA in the NOCWA Interlocal Agreement dated July 31, 2014 (the “Agreement”) and authorized by Constitution of 1963, Article 7, Section28, and the Urban Cooperation Act of 1967 1967 PA 7, being MCL124.501 et seq. (“Act 7”), or by these Bylaws. The Members shall possess the powers and authority provided by the Agreement, and any future amendments to the Agreement, subject to the limitations set forth in the Agreement.

Section 2. Members.NOCWA shall initially consist of the four (4) parties to the Interlocal Agreement for North Oakland County Water Authority (City of Rochester Hills, City of Auburn Hills, Charter Township of Orion, and Oakland County/Oakland County Water Resources Commissioner, who manages the City of Pontiac Water System) (each a “Member”). Members shall serve without compensation. Additional members may be added by a unanimous vote of existing Members. Members shall have one (1) equal vote.

Section 3. Member Representatives: The NOCWA Members shall appoint individuals to serve as Member Representatives to the Authority. Member Representatives shall be appointed by the governing body of each NOCWA Member. Each Member Representative shall serve at the pleasure of the governing body of the Member that appointed that Member Representative. The governing body of each Member shall also appoint an Alternate Member Representative who may act in place of the regular Member Representative in the event of the latter’s absence.

- Section 4. Replacement/Removal of Representatives: Member Representatives may be replaced by the Member's governing body at will. A Member Representative may also be replaced by a unanimous vote of other Member Representatives for inefficiency, neglect of duty, or misconduct or malfeasance. In this case, the Alternate Member Representative will serve as Member Representative until such time that the Member's governing body appoints a new Member Representative.
- Section 5. Conflict of Interest: A Member Representative who has a direct pecuniary interest in any contract before the Authority which shall cause a substantial conflict of interest shall disclose his/her interest prior to any discussion of that matter by the Authority, which disclosure shall become a part of the record of the Authority's official proceedings. The conflicted Member Representative shall refrain from discussion or participation in the Authority's action relating to the matter. Each Member Representative, upon taking office and annually thereafter, shall acknowledge in writing that they have read and agree to abide by this section.
- Section 6. Meetings: Meetings of the Authority may be called by or at the request of the Chairmember, the Vice Chairmember, or any two Member Representatives. The meetings of the Authority shall be public, and written notice of such meeting shall be provided to the public. The Member Representatives shall hold an annual meeting in the first calendar quarter of each year at which time officers of the Authority shall be elected as provided in Article III, Section 2.
- Section 7. Compliance with the Open Meetings Act: Notice of any meetings shall be given in accordance with the Open Meetings Act (Act No. 267 of the Public Acts of 1976). All meetings, defined as the convening of the Authority at which a quorum is present for the purpose of deliberating toward or rendering a decision, shall be open to the public and shall be held in a place available to the general public. All decisions shall be made at a meeting open to the public. All deliberation shall take place at a meeting open to the public except as permitted to occur in closed session in accordance with the Open Meetings Act. A separate set of minutes shall be taken during the closed session and shall be retained by the secretary and shall not be disclosed to the public except as required by a civil action or other requirements of the Open Meetings Act. In the event that Authority members find it desirable or necessary to communicate with one another via electronic means such as email, facsimile, etc., care should be taken to ensure that there is no deliberation or consensus building about

issues and topics which should properly take place during an open meeting.

Section 8. Quorum: A majority of the Member Representatives of the Authority appointed and serving constitutes a quorum for the transaction of business at any meeting of the Authority, provided, that a majority of the Member Representatives present may adjourn the meeting from time to time without further notice. A unanimous vote of the Member Representatives present at a meeting when a quorum is present constitutes the action of the Authority.

### **ARTICLE III: Officers**

Section 1. Officers: The officers of the Authority shall be elected by the Member Representatives and shall consist of a Chairmember, Vice Chairmember, and Secretary. One Member shall also serve as the Authority's Fiduciary. No single officer shall execute, acknowledge, or verify an instrument if the instrument is required by law or Bylaws to be executed, acknowledged, or verified by two or more officers.

Section 2. Nomination, Election, and Term of Office: The officers of the Authority shall be elected by the Authority at an annual meeting held during the first calendar quarter of each year. Candidates shall be nominated by the Authority, and shall be Member Representatives. The term of each office shall be for one (1) year. Each officer shall hold office until his/her successor is appointed.

Section 3. Vacancies: A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled at any meeting of the Authority for the unexpired portion of the terms of such office.

Section 4. Chairmember and Vice Chairmember: The Chairmember shall be the presiding officer of the Authority, and may, from time to time, delegate all or any part of his/her duties to the Vice Chairmember. In the absence of the Chairmember, the Vice Chairmember shall preside at all meetings of the Authority and shall perform all the duties of the office as provided by the Act or these Bylaws. The Chairmember may discuss and vote on all questions before the Authority except as provided in Article II, Section 5, Conflict of Interest.

Section 5. Fiduciary: The Fiduciary shall handle the financial matters of NOCWA, including preparation and delivery to the Authority's Board of periodic

financial reports detailing financial transactions at each regular meeting of the Authority, and preparation and delivery of an annual financial report indicating transactions and fund balance as soon as practical after the closing of the fiscal year of the Member serving in this capacity. Any costs associated with preparation of the financial report shall be equally divided among the Authority's Members [THE PRECEDING SENTENCE IS NOT CONSISTENT WITH SEC. 1.5 OF THE AGREEMENT OR THE 3<sup>RD</sup> FROM LAST SENTENCE OF THIS SECTION 5]. The initial Fiduciary shall serve for at least two (2) years. Thereafter, the Fiduciary shall be selected in accordance with these Bylaws. The NOCWA Member serving as the Fiduciary shall not be reimbursed for any costs incurred in serving as Treasurer. The Fiduciary must be a NOCWA Member, but cannot be Oakland County. The City of Rochester Hills shall serve as the initial NOCWA Fiduciary.

Section 6. Delegation of Duties of Offices: In the absence of any officer of the Authority the Authority may delegate, from time to time and for such time as it may deem appropriate, the powers or duties, or any of them, of such officer to any other Director, provided the Member Representatives then in office unanimously concur therein.

#### **ARTICLE IV: Contracts, Loans, Checks and Deposits**

Section 1. Contracts: The Authority may authorize its Chairmember or Vice Chairmember, in the Chairmember's absence, to enter into any contract with a water provider, including but not limited to the Detroit Water and Sewerage Department, or execute and deliver any instrument in the name of and on behalf of the Authority in conjunction with contracting with a water provider, and such authorization may be general or confined to specific instances. The Authority may authorize its Chairmember or Vice Chairmember, in the Chairmember's absence, to negotiate fees with water providers, to jointly manage the water system to optimize peak water supply and usage, and to share best practices for improving system efficiencies and water conservation on behalf of the Authority's Members. All contracts entered into by the Authority must be approved by the governing bodies of all Authority Members. The Authority shall be limited to entering into contracts with water providers and professional services providers for engineering, consulting, insurance, financial, and legal services. Any contract entered into between the Authority and a water provider shall include a revenue requirement in accordance with Exhibit 1 of the Interlocal Agreement.

- Section 2. Loans/Grants/Indebtedness: The Authority shall not have the power to acquire, hold, transfer, or dispose of property; incur debts or liabilities (as used herein, the phrase “debts or liabilities” does not include approved operational costs and expenses necessary for the Authority’s operations); levy any type of tax or issue any type of bond in its own name; nor in any way indebt the Authority or any Member.
- Section 3. Checks, Drafts, etc.: All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority, shall be authorized by the Chairmember, or Vice Chairmember, in the absence of the Chairmember.
- Section 4. Deposits: All funds of the Authority not otherwise employed shall be invested in accordance with an investment policy to be adopted by the Authority consistent with current Fiduciary policy and the requirements of PA 20 of 1943.

**ARTICLE V: Fiscal Year**

The fiscal year of the Authority shall run from January 1 through December 31.

**ARTICLE VI: Miscellaneous**

- Section 1. Seal: The Authority, upon finding it necessary, shall provide an organizational seal which shall be the official seal of the Authority.
- Section 2. Waiver of Notice: When the Authority or any committee thereof may take action after notice to any person or after lapse of a prescribed period of time, the action may be taken without notice and without lapse of the period of time, if at any time before or after the action is completed the person entitled to notice or to participation in the action to be taken submits a signed waiver of such requirements.
- Section 3. Annual Report: The Authority shall prepare an Annual Report for its Members no later than 120 days after the end of the Authority’s fiscal year. The Annual Report shall address, among other things, technical and financial affairs. To the extent feasible and practical, the Annual Report shall also report the savings of the Authority’s Members by virtue of the Authority’s operations and compare the Authority’s Members’ costs for the provision of water incurred for the report year with the cost the Authority’s Members would have incurred for the provision of water if

provided individually without the Authority. The Annual Report shall be prepared by the Chairmember or by another Member at the request and direction of the Chairmember. Any costs associated with preparation of the Annual Report shall be equally divided among the Authority's Members.

Section 4. System Planning. The Authority shall develop a planning document or master plan that summarizes technical bases for anticipated operation. It shall include short-term and long-term perspectives, including anticipated changes in operation and potential capital improvements. The planning document or master plan shall be updated periodically as needed.

Section 5. Emergency Connections. Existing and future emergency connection agreements are in the best interest of the Authority. As such, all existing agreements for emergency connection of water service shall be honored by the Authority and any future such agreements shall be left to the sole discretion of individual Authority Members, unless such agreements can be shown to be detrimental to, or have an adverse impact on, the joint management of the Authority's system. The Member proposing the connection shall bear the burden to show how the connection is not detrimental or adversely impactful on the Authority's system. Individual Members shall provide written notice of any emergency connection service agreements or any similar agreements to the Authority, and Members must state any objections to such agreements within ninety (90) days of notice. In the event that a Member objects to any such agreement, the matter will be brought to the Authority's Board for approval, which approval must be unanimous. Any costs, fees, or expenses associated with providing emergency connection services shall be borne by the individual Member making the connection and shall not be included in the Authority's costing.

Section 6. Unknown Customers. Despite due diligence, Members may become aware of water service customers who were not identified on Exhibit 2 to the Interlocal Agreement. These are not new customers and their addition accordingly does not require the approval of the Authority's Board, because they are existing customers of which the Board should be notified. Members shall notify the Board in writing of the existence of these previously-unknown customers when they become known to the Member. DWSD shall be notified by the Authority of additional addresses not included on Exhibit 2 to the Interlocal Agreement.

- Section 7. Withdrawal by Member. A Member may withdraw from the Authority upon eighteen (18) months advance written notice to other Members. No Member may withdraw from the Authority during the Authority's first three (3) years of existence. The withdrawing Member shall receive the balance of its prepayment within sixty (60) days of the effective date of its withdrawal from the Authority.
- Section 8. Termination of Authority. The Authority shall continue indefinitely until the Interlocal Agreement is terminated by the first of the following to occur: Fewer than two Members remain; or a unanimous vote of termination by all Authority Members; or DWSD or other Water Provider with whom the Authority has contracted no longer provides water service.
- Section 9. Dissolution/Winding Up. Upon termination of the Authority, the Authority shall dissolve and wind up its affairs. Thereafter, each former Authority Member shall be responsible for negotiating separate agreements with DWSD or other Water Provider.

**ARTICLE VII: Amendments**

These Bylaws may be altered, amended, or repealed by the unanimous affirmative vote of the Member Representatives then in office at any regular or special meeting called for that purpose subject to the approval of the Members.