

MARTIN COUNTY REGIONAL WATER AND SEWER AUTHORITY

BYLAWS

Adopted: December 17, 2009

ARTICLE I: NAME, SEAL AND OFFICES

1. NAME. The name of this Authority is the Martin County Regional Water and Sewer Authority.
2. SEAL. The corporate or official seal of the Authority shall consist of two concentric circles inside of which is inscribed the name of the Authority and in the center of which shall be the date December 31, 2007, and the words "official seal."
3. OFFICES. The principal office of the Authority shall be located at 305 East Main Street, Williamston, North Carolina 27892; but the Authority may also have offices located at such other places as the Directors of the Authority may from time to time designate or as the purposes and objectives of the Authority may require or find convenient.

ARTICLE II: APPOINTMENT, TENURE, RESIGNATION, AND REPLACEMENT OF MEMBERS OR DIRECTORS

1. MEMBERSHIP:
 - A. There shall be four (4) voting members of the Authority, of whom two (2) shall represent the County of Martin; and two (2) shall represent the Town of Williamston. The County of Martin and the Town of Williamston are "organizing political subdivisions" as referenced in N.C. Gen. Stat. § 162A-3.1 of the "North Carolina Water and Sewer Authorities Act."
 - B. Each appointee to the voting membership of the Authority shall be known as a Director of the Authority; and when the term "member" is used, it shall mean Director.
 - C. Directors shall be appointed for the respective terms as specified by N.C.G.S.162A-5 of the "North Carolina Water and Sewer Authorities Act"; and may be removed, with or without cause, by the governing body appointing said member, as provided by N.C.G.S. 162A-5.
 - D. An alternate member to the Authority shall be appointed for each governing body. The alternate member shall attend scheduled meetings of the Authority Board in place of a regularly appointed member on those occasions when the regularly appointed member cannot be present. Rules governing the appointment, replacement, removal and terms of office of regular members shall also apply to alternate members. When the term "Director" is used, it shall include the terms "Alternate Director" or "alternate member."

- E. The number of members for each Member Entity of the Authority shall be determined as follows:

Two seats each

- 2. RESIGNATION. Any Director may resign from membership of the Authority at any time by giving written notice of such resignation to the Authority and to the Mayor or Chairman of the Board, respectively, of the political subdivision/governing body by which he or she was appointed.
- 3. VACANCIES. Any vacancy in membership on the Authority shall be filled for the unexpired term by the political subdivision/governing body which made the original appointment, subject to approval by the original organizing subdivisions.
- 4. OATH OF OFFICE. Each Director of the Authority before entering upon his or her duties as a member thereof shall take and subscribe an oath or affirmation to support the Constitution of the United States and of this State and to discharge faithfully the duties of his or her office, and a record of each such oath shall be filed with the Secretary of the Authority and kept among its official documents.

ARTICLE III. MEETINGS

- 1. ANNUAL MEETINGS. Annual meetings of the Authority shall be held on the regular meeting date in July of each year at the hour and place designated in the notice of same. Written notice of the time and place of Annual meetings shall be given by the Secretary or Executive Director by mailing such notice to each Director at his or her regular residential address not less than twenty (20) days prior to the date of such meeting.
- 2. REGULAR MEETINGS. The Authority may establish by resolution a schedule of regular meetings to be held from time to time between the Annual meetings. Notice of such regularly scheduled meetings shall be required to be given the Directors, and the regular business of the Authority may be transacted at such meetings, provided a quorum is in attendance.
- 3. SPECIAL MEETINGS. Special meetings of the Authority may be called by official action of the Authority (by formal resolution or adoption of motion to do so), or by the Chairman or Vice Chairman, or upon the written request of at least three (3) Directors.
- 4. NOTICE OF MEETINGS. Notice of the time and place, and in the case of a special meeting or of a regular meeting so requiring, the purpose or purposes thereof, shall be given by mailing the same at least three (3) days in advance of the meeting to the residential address of each director, or shall be given by delivery of such notice by an agent of the Authority or by telegram or fax or e-mail to the residence of each Director at least six (6) hours in advance of the meeting; provided, however, that such meetings may be held absent notice where every Director waives such notice in writing at or prior to the meeting. A Director may waive notice of a meeting by written statement and such waiver shall be in lieu of notice herein required. If all the Directors are present in person at such meeting, any defect in the prior notice shall be conclusively presumed to have been

waived. It is the responsibility of the regular member, upon determining that he or she will be unable to attend a meeting, to notify the Alternate Director of the attendance requirement.

5. QUORUM AND VOTING PROCEDURES. A minimum two-thirds majority [i.e., three (3) votes, with a quorum of at least four (4) members] for decisions concerning the following issues shall be required:

- * Bonds or Loans / Capital Financing;
- * Capital Purchases greater than \$20,000;
- * Selection / Hiring of an Executive Director;
- * Setting or modifying rate structures for sale of water, sewer, including pump rates, surcharges and / or capacity charges;
- * Amendments / modifications to Authority Bylaws; and
- * Other matters deemed necessary by the Authority from time to time.

A simple majority of the members present [with a quorum of at least four (4) members] shall be able to decide upon all other issues. An Alternate Director attending a regular meeting in place of an absent regular member shall have the same voting rights and other powers for that meeting as the regular member would have, had the regular member been present.

The following is the illustrated breakdown of the minimum vote needed to approve/disapprove proposals under the immediately preceding two (2) paragraphs:

<u>Members Present</u>	<u>2/3 Majority Required</u>	<u>Simple Majority</u>
4	3	3
3	no quorum	3
2	no quorum	no quorum
1	no quorum	no quorum

No vacancy in the membership of the Authority shall impair the right of a quorum to exercise all the rights and perform all of the duties of the Authority.

If at any meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time provided notice is given to any absent member.

6. MEETINGS TO BE OPEN TO THE PUBLIC.

Subject only to lawfully recognized exceptions, all official meetings of the Authority, including Committee Meetings, shall be conducted openly and in compliance with North Carolina General Statutes 143-318.1, et seq.

At every official meeting of the full Authority, the presiding officer shall devote an agenda item to hearing petitions and requests to the Authority from the public. When this agenda item is reached in each meeting, the presiding officer shall determine whether any

member of the public wishes to petition or make any request of the Authority, and the Authority may hear petitions and requests for such period as it deems appropriate.

The Authority encourages public attendance at all of its meetings. Only such discussion or participation by visiting persons as is invited by consent of the Authority shall be permitted at times other than when petitions and requests are being heard.

7. DUTY TO VOTE. No Director shall be excused from voting, except on matters involving consideration of his or her own official conduct, or where his or her financial or personal interests are involved.
8. PROCEDURES. The Board of Directors may adopt from time to time such procedures as it may determine to be necessary and convenient to govern the conduct of its meetings, including but not limited to rules pertaining to agendas, citizen participation in its meetings, public petitions, Minutes, commencement and adjournment, and committees. Meetings of the Board of Directors shall be conducted in accordance with such procedures as are or may be adopted by the Board, unless the Board determines by vote of two-thirds of those members present, but not less than four (4) being present, to waive the operation of any particular rule for a particular occasion, provided any rule may be amended with respect to its future application, or repealed, by the vote of a majority of all members of the Authority.

ARTICLE IV: OFFICERS

1. DESIGNATION. The Officers of the Authority shall be the Chairman, a Vice Chairman, a Secretary, a Treasurer, and such other officers and assistant officers, with such powers and duties not inconsistent with these Bylaws or applicable law, as may be elected and determined by the Authority in accordance with the law. Any two offices except those of Chairman and Vice Chairman or Chairman and Secretary, may be held by the same person. Only the Chairman and Vice Chairman are required to be members of Directors of the Authority.
2. ELECTION AND TERMS. The officers provided for in Section 1 of this Article shall be elected at each annual meeting of the Authority, and shall hold office until the next annual meeting or until their successors are elected and qualified. A record of attendance of all members of the Authority shall be maintained by the Secretary.
3. OFFICER SUCCEEDING SELF. Any officer may be elected by the Authority to succeed himself or herself in office, provided that the requirement that the Chairman and Vice-Chairman be members of the Authority is observed.
4. CHAIRMAN. The Chairman shall preside at all meetings of the Authority and shall have and exercise such authority and do and perform such other duties as may be assigned by the Authority.
5. VICE CHAIRMAN. At the request of the Chairman, or in the event of the absence or disability of the Chairman, the Vice Chairman shall perform the duties and possess and exercise the powers of the Chairman; and to the extent authorized by law the Vice

Chairman shall have such other powers as the Authority may determine, and shall perform such other duties as may be assigned to him by the Authority.

6. SECRETARY. The Secretary shall have charge of such books, documents and papers as the Authority may determine, and shall have custody of the official seal. He or she shall attend and keep the Minutes of all the meetings of the Authority, unless the Authority uses the services of a stenographer for that purpose, and in such case he shall review the Minutes to see that they are accurately taken and transcribed in the Minute Book. He or she shall keep a record, containing the names, alphabetically arranged, of all persons who are Directors of the Authority, the dates of their appointments and dates of expiration of their terms, showing their places of residence, and such book shall be open for inspection as prescribed by law. He shall in writing notify the Mayor or Chairman of the Board, as the case may be, of the appointing governing body at least 30 days prior to the expiration of the term for which a member of the Authority was appointed by such governing body so that such appointing governing body may have sufficient time in which to either reappoint such person for an additional term or to appoint some other person to the Authority in his or her place. He shall, in general, perform all the duties incident to the office of Secretary, subject to the control and direction of the Authority, and shall do and perform such other duties as may be assigned by the Authority.

7. TREASURER. The Treasurer shall have custody of all funds, property, and securities of the Authority, subject to such rules and revisions as may be imposed by the Authority. He may be required to give bond for the faithful performance of his duties in such sum and with such sureties as the Authority may require. When necessary or proper in accordance with the instructions or rules of the Authority, he may endorse on behalf of the Authority for collection checks, notes, and other obligations, and shall deposit the same to the credit of the Authority in the specified bank account at such bank or depositories as the Authority may designate. Unless otherwise instructed by the Authority, he shall sign all receipts and vouchers and, together with such other officer or employee, if any, as shall be designated by the Authority, he shall sign all bond and other obligations and checks of the Authority and all bills of exchange and promissory notes issued by the Authority, except in cases where the signing and execution thereof shall be expressly designated by the Authority or by these Bylaws to some other officer or employee of the Authority. Unless otherwise directed by the Authority, he shall make such payments as may be necessary or proper to be made on behalf of the Authority. Unless the Authority has provided otherwise, he shall enter regularly on the books of the Authority to be kept by him for the purposes full and accurate accounts of all moneys and obligations received and paid or incurred for or on account of the Authority, and shall exhibit such books at all reasonable times to any Director at the offices of the Authority. He shall, in general, perform all the duties incident to the office of Treasurer, subject to the control of the Authority.

Nothing herein shall preclude the Authority from employing a Finance Officer, Budget Officer, bookkeepers and other personnel, and defining their duties and functions.

8. REMOVAL FROM OFFICE.

- A. GROUNDS. Any officer provided for in Section 1 of this Article who is also a member or Director of the Authority may be removed from such office (but not from membership on the Authority) by the Directors
1. for mental or physical incapacity to properly and adequately perform the duties and functions of the office; or
 2. for repeated absences from meetings of the Authority or from the offices of the Authority or meetings of committees to the extent that such absences constitute gross neglect in the performance of the duties of the office to the inconvenience, damages, or disadvantage of the Authority in carrying on its functions and purposes; or
 3. for any act of dishonesty, misfeasance, malfeasance or nonfeasance; or
 4. for any act or series of acts or omissions which are contrary to the best interests of the Authority and tend to impede or obstruct the carrying on of its functions and purposes in an orderly manner; or
 5. for any other cause which is deemed less than reasonably satisfactory performance of the duties and functions of such office.
- B. PROCEDURE. In the event the Authority for any reason requests the resignation of an officer to which this Section 8.1 herein above applies, and such request is declined, it may by resolution of a majority affirmative vote of its Directors adopt a statement of grounds upon which it claims such officer should be removed from office, and such written statement of grounds, shall be served upon such officer at least ten (10) days prior to the meeting at which action is to be taken thereon. The officer is entitled to be present at such hearing and be heard if he or she so desires, and is also entitled to offer such evidence as he or she may deem appropriate in response to the statement served upon such officer. The decision of the majority of Directors in said matter shall be final.

ARTICLE V. PERSONNEL

1. GENERAL. The Authority may employ such personnel as may be required to conduct and perform the duties and services which may be necessary or convenient in carrying out the objectives and purposes for which this Authority was created; define their duties and functions; set their terms of employment, compensation, fringe benefits, separation from service, and other pertinent details.
2. EXECUTIVE DIRECTOR. The Authority may employ an Executive Director, who shall be its Chief Administrative Officer. Such Executive Director shall be responsible for the efficient administration and carrying out of the operations of the Authority, and shall carry out the policies and directives of the Authority. The Executive Director shall attend all official meetings of the Authority, and all Committee Meetings when requested, shall be entitled to notice of all special meetings, and shall be entitled to take part in discussions of matters before the Authority, but shall have no vote. He or she has responsibility for obtaining and furnishing to the Authority financial and other reports as may be required by the Authority, and he or she shall deem necessary or advisable, and

shall furnish the Authority with necessary information respecting any of the departments or divisions of the Authority under his or her direction and control. The Executive Director shall be responsible for the preparation and submission to the Authority the proposed annual budget, and shall keep the Authority informed as to the financial needs and condition of the Authority. He or she shall perform such other duties as may be required by the Authority.

3. PROFESSIONAL ASSISTANTS. The Authority may employ such accountants, engineers, legal counsel, and experts as it may determine in its discretion to be necessary or advisable, and fix the terms of such employment.

ARTICLE VI. COMPENSATION: EXPENSES

1. COMPENSATION OF DIRECTORS. For their services as such, the Directors shall receive such compensation as the Authority approves, subject to the limitations of N.C.G.S. 162A-5 as to the amount thereof.
2. EXPENSES. Directors shall be entitled to reimbursement for the amount of actual expenses incurred by them in the performance of their duties. The Authority may make policies concerning such reimbursement.
3. COMPENSATION OF PERSONS OTHER THAN DIRECTORS. The Executive Director, officers, attorney, agents, and employees of the Authority shall receive such compensation and expense reimbursement as the Authority may approve by resolution or otherwise.

ARTICLE VII. ANNUAL AND OTHER REPORTS

1. ANNUAL REPORT. At each Annual Meeting the Authority shall receive from the Treasurer, Finance Officer, Executive Director or other person who has been charged with such responsibility, a full and accurate report of the operations of the Authority during the preceding fiscal year, the assets and liabilities of the Authority as of the end of such fiscal year, investments, if any, the financial condition of the Authority as of the end of such fiscal year, and any and all other information which may have a significant bearing upon the condition and operation of the Authority. Such report shall include such additional matters as may be directed by the Authority, and shall be filed with the Minutes and be open to the inspection of the public and of any political subdivision.
2. REPORTS OTHER THAN ANNUAL. The Authority may require financial and other reports filed with it on a monthly, quarterly, or other basis, in its discretion, and may direct that such reports contain such information in such detail as it may deem appropriate.

ARTICLE VIII. CONFLICT OF INTEREST; DUTY TO MAKE DISCLOSURE

No Director, officer, or employee of the Authority shall have any personal or pecuniary interest direct or indirect in any contract or proposed contract or purchase order for materials, services, equipment, or property of any kind to be furnished to or used by the Authority. If any such

Director, Officer, or employee owns or controls an interest direct or indirect in any such materials, services, equipment, or property included or proposed to be furnished to or acquired by the Authority, he or she shall immediately disclose the same in writing to the authority and such disclosure shall be entered upon the Minutes of the Authority. Failure to so disclose such interest shall constitute misconduct in office or in employment. A Director who has such an interest shall recuse himself or herself from consideration of such contract or order; shall not attempt to influence any other Member or Director; and shall refrain from bidding on such contract or order either directly or indirectly.

ARTICLE IX. CONTRACTS

The Authority may, except as in these Bylaws or law otherwise provided, authorize any officer or the Executive Director to enter into any contract or execute and deliver any written instrument in the name of and on behalf of the Authority, and such authority may be general or confined to a specific instance; and unless so authorized by the Authority no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement, or to pledge its credit, or to render it liable pecuniarily for any purpose or in any amount.

ARTICLE X. ADVISORY COMMITTEES

The Authority may from time to time appoint from their number, or from among such persons as the Authority may see fit, one or more advisory committees for recommendatory purposes only. The members of such committees shall serve at the pleasure of the Authority and be disbanded at such time as the Authority may elect. None of the power, authority, or responsibility vested in the Authority may be delegated or surrendered to any such advisory committee.

ARTICLE XI. FISCAL YEAR

The fiscal year of the Authority shall begin on July 1 and end on the following June 30.

ARTICLE XII. AMENDMENTS

The Authority shall have power to make, alter amend, and repeal the Bylaws; provided, however, that such action shall be taken only at a regular or annual meeting of the Authority.

Before any such amendment to or repeal of any Bylaws may be made, however, written notice thereof and of the text of such proposed amendment or amendments shall be given to the member Directors of the Authority at least seven (7) days prior to the date of the meeting at which official action thereon is to be taken.