

V.2. Operating Board

Amended Bylaws of the Seattle Water Supply System Operating Board February 7, 2019

ARTICLE I Purpose

The purpose of the Operating Board is to provide certain limited authority to a representative board over policy and operational matters that affect the Seattle Regional Water Supply System.

ARTICLE II Board Composition, Selection and Terms

Section 1: Composition: The Operating Board shall consist of seven voting members. Board members shall be elected officials or staff from Seattle and those wholesale customers that have signed contracts with Seattle identifying the Operating Board as a means of contractual interaction. The Board will be comprised of the following categories:

- a) One member from small Seattle wholesale customers;
- b) One member from medium Seattle wholesale customers;
- c) One member from large Seattle wholesale customers;
- d) Three Seattle members; and
- e) A seventh, independent, member.

Section 2: Determination of Categories: Wholesale customer category determinations shall be based on ERUs and will be re-evaluated every 5 years starting in December 2002. An approximately equal number of utilities should be placed into each category at the time the categories are re-determined. For purposes of these bylaws, Seattle and the seventh, independent member, are each considered separate categories.

Section 3: Selection of Board Members and Alternates: Utilities within each category, except the 7th member, are responsible for selecting through a nomination and voting process their Board member and an alternate by January following the end of their member's term.

The nomination and voting process must be made available to all members of a category so that; consideration of a member(s) is given at least one week notice prior to the vote being taken. The only exception to this is for nominations that are made during the voting day process. The nomination process may vary depending on the wishes of the category, but may include but not be limited to the following:

- An in-person nomination, at a time and place convenient to the category members. This could be a group caucus prior to a board meeting.

- An email or phone call for nominations or;
- An electronic method (e.g. Survey Monkey)

Nominee will be encouraged to submit statements to the current Board member for the category's consideration.

The vote for the Board member and alternate shall occur at a scheduled Operating Board meeting. Time will be allocated on the agenda for a caucus and vote. Should a member be unable to attend the meeting and wish to vote, they may provide their vote to either another member of their category, or to SPU; to allow for inclusion in the voting process at the Operating Board meeting. All votes shall be documented in writing.

In the event of a tie vote, the 7th independent member will be asked to make the selection of the Board member and/or alternate through a drawing process.

Once the selection has been made it is the responsibility of the Board member whose term has expired to compile all the votes and to provide said compilation to SPU for record. Notification of the results of the vote will be made public to the Operating Board at the meeting when the vote occurred.

The alternate's responsibility is to function as a full Board member when the primary Board member is unable to attend meetings. If any utility category fails to select a Board member after two months has elapsed following the selection process, the Board shall appoint a member to serve until the utilities in the category select a member. Alternate positions may go unfilled until selected by the utilities within the category.

Section 4: Seventh Member Selection:

The seventh Board member shall be selected by majority vote of the other Board members. This member shall have no employment, financial or contractual relationship with Seattle nor any wholesale customer and have no actual or apparent conflict of interest in holding this position.

Section 5: Board Terms:

All Board members, including the seventh member, will have 4-year terms and may serve on the Board no more than 12 successive years. Terms will be staggered beginning in 2003.

ARTICLE III Utility Representation

Section 1: Identification: Each utility that meets the eligibility requirements noted in Article II, section 1, shall select an official representative and an alternate to the Operating Board. The name of the utility representative and alternate shall be provided to SPU.

Section 2: Roles: Utility representatives shall serve several purposes to the Operating Board:

- a) Primary point of contact for the utility for agendas and meeting notices;
- b) Eligible party for nominations and elections as a member to the Board; and
- c) Participant in caucuses within their respective category prior to Board actions.
- d) The Utility Representative's alternate may represent the utility in his or her absence.

ARTICLE IV Officers and Terms

Section 1. The officers of the Board shall be the Chair and Vice Chair.

Section 2. Elections: The Chair and Vice Chair of the Board shall be elected by the Board membership annually. If the Board fails to elect a Chair, the Board shall select a Board member to be the acting Chair until the Board elects a Chair. Nominations of candidates for the offices of Chair and Vice Chair shall be presented at the January meeting for Board action.

Section 3. Term: The Chair and Vice Chair shall serve for one year and their terms of office shall begin at the close of the meeting at which they are elected. In the event of a vacancy in the office of the Chair, the Vice Chair shall assume the duties of that office for the unexpired portion of the term. In the event, there is a vacancy in the office of the Vice Chair, the Chair shall appoint a new Vice Chair for the unexpired portion of the term. The Board shall vote on whether to approve the appointment.

In the event, there is a vacancy in the office of the Chair and Vice Chair, the Board shall elect from its membership a new Chair and Vice Chair to serve the unexpired portion of the terms.

Section 4. Selection process: Approximately one month in advance of the officer elections, the Chair shall appoint a nominating Committee composed of Board members. The committee shall nominate candidates for the offices of Chair and Vice Chair. Such nominations shall be presented to the Board at the January meeting for Board action. Any Board member may nominate additional candidates at the same meeting.

ARTICLE V Duties of Officers

Section 1. Chair: The Chair shall conduct the meetings of the Board, and shall be responsible for the preparation and distribution of the minutes and agendas for the meetings. The Chair shall ensure that the functions of the Board are carried out to the best of his or her ability. The Chair may delegate work related to the preparation and distribution of the agenda, but is ultimately responsible for these duties.

Section 2. Vice Chair: The Vice Chair shall preside and perform the duties of the Chair in the absence of the Chair.

ARTICLE VI Meetings

Section 1. Meeting Dates: The Board shall designate a date and time for its regular meetings. Additional, special, or emergency meetings may be held upon request of the Chair, or upon the request of three Board members.

Section 2. Notice: Meeting packets including agendas and supporting materials shall be mailed approximately seven (7) calendar days in advance of all regularly scheduled meetings. Special or Emergency meetings require at least three (3) working days' notice.

Section 3. Agendas for upcoming meetings will identify at least:

- a) The time, location and type of meeting to be held;
- b) An outline of topics to be addressed, including a brief description of purpose;
- c) Relevant documents to be included;
- d) The progression of the meeting; and
- e) An opportunity for public comment.

Agendas for special or emergency meetings shall be limited to those items specified in the notice.

Section 4: Meeting Cancellations: In the event, a meeting needs to be cancelled, the following should occur:

- a) Concurrence by three Board members, of which at least one must be a wholesale customer and one a Seattle representative.
- b) Concurrence can be reached via email, phone or fax.
- c) Members and representatives shall be given at least three working days notice prior to the cancellation (e.g., notification on the Friday prior to the Tuesday meeting would be sufficient).
- d) Notification to members and representatives can be made via email or fax with confirmation. When no confirmation is received, notification by phone shall be made.
- e) Cancellation notices will be posted at the regular meeting location.

ARTICLE VII Board Actions

Section 1. Quorum: Four members of the Board, or their alternates, will constitute a quorum.

Section 2. Voting: The Board shall make decisions when a quorum is present. There will be one vote for each Board member or their alternate if the member is not present. The seventh member will only vote on issues in which there is a tie. Board members

will be properly prepared for Board deliberations. All actions of the Board shall be by majority vote unless otherwise provided in these bylaws.

Section 3. Caucuses: A caucus may be requested by a Board member, or a utility representative to the Board, prior to Board actions. The Board will vote on whether to caucus and determine the length of time for the caucus. If a caucus is called, utilities should caucus within their respective categories. Additional time for a caucus may be requested. The Board will decide if additional time shall be granted.

Section 4. Conflict of Interest: Whenever a Board member or their alternate has a potential conflict of interest, whether personal or financial, in an action before the Board, the member shall disclose to the Board the nature of the potential conflict prior to participating in the discussion on that issue. If the potential conflict of interest, in the judgement of the majority of the Board, may prevent the member from fairly and objectively reviewing the action, the Board member shall recuse themselves from participating in the action.

ARTICLE VIII

Attendance and Order of Business

Board members are expected to regularly attend Board meetings. No proxies are allowed, although as noted previously, alternates may vote in lieu of an absent member. Under special circumstances, when Board members are unavailable to attend Board meetings in person, and at the discretion of the Chair, Board members may participate by telephone or teleconference. Special arrangements may be made for participation by the seventh independent Board member on a more regular basis, given Board approval.

The regular order of business will be as follows:

- 1) Call to order
- 2) Determination of quorum
- 3) Approval of minutes
- 4) Unfinished business
- 5) New Business
- 6) Committee reports
- 7) Public comment period
- 8) Adjournment

ARTICLE IX

Resolutions and Minutes

Section 1. Resolutions: Actions taken by the Board regarding complex or significant matters may be in the form of a written resolution, including but not limited to, matters such as adopting a budget, approving the annual work program, determination of cost allocations for projects, revising Board bylaws, etc. Actions of the Board requiring written execution, such as formal resolutions, may be drawn up after the action has

been taken, circulated to members for their approval and then validated by the signature of the Chair.

Section 2. Minutes: Minutes shall contain a complete record of decisions, recommendations, resolutions, and other determinations of the Board; they shall also contain the usual details of time, place, type of meeting, members, and utility representatives present, speakers and records of votes. Minutes shall be validated by the Chair's signature after circulating the draft to members and receiving their approval. Maps, reports and other documents constituting an integral part of the minutes not previously provided as part of the agenda will be identified by reference and included along with the distribution of the minutes.

ARTICLE X Committees

The Chair may appoint or the Board may require the Chair to appoint ad hoc or standing committees to advise or assist the Board in its function. Ad hoc committees shall have a specific charge, within a given time frame, with a required and stated product, and shall cease to exist after their function is performed. The Board Chair shall recommend committee chairs to the Board for approval. Membership of such committees may include individuals beyond Board members, such as elected officials, local government staff, citizens, professionals in the field, or other experts.

Committee work, other than addressing financial issues, may be accomplished in conjunction with utilities under other contract forms who have a vested interest in the Seattle Regional Water Supply System.

ARTICLE XI Work Program and Budget

Section 1. The Board, or one of its committees, shall create an annual work program and budget for approval in December of each year.

Section 2. The Board shall adopt a work program and budget and shall have the power to amend the work program and budget to meet unanticipated needs or changed conditions.

Section 3. The 7th member of the Board shall be compensated with a meeting stipend and a preparation stipend for each meeting day he or she attends. The meeting and preparation stipends will be at the same rate as provided for Commissioners of Water Sewer Districts under RCW 57.12.010, as may be adjusted every 5 years by the Office of Financial Management as required by that statute. The 7th member of the Board will also receive reimbursement for the following costs:

Cost reimbursement

- a) Mileage at the yearly federal per diem rate

- b) Hotel accommodations using the Runzheimer Rate Table data for Seattle
- c) Meals using the per diem rate based on Runzheimer Rate Table data for Seattle

ARTICLE XII

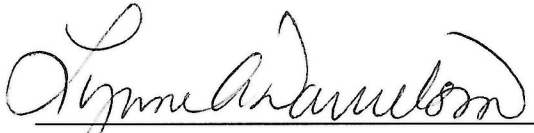
Parliamentary Authority

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Board in all cases to which they are applicable and in which they are not inconsistent with these bylaws or any special rules of order the Board may adopt.

ARTICLE XIII

Amendments to Bylaws

These bylaws may be amended at any regular or special meeting of the Operating Board by a simple majority vote of the entire Board. However, a copy of the proposed amendment shall be mailed to each regular member at least seven (7) days prior to the meeting at which the vote to amend is taken.

A handwritten signature in cursive script, appearing to read "Lynn Anderson", is written over a horizontal line.

Chair of the Board