

**BYLAWS BOARD OF
TRUSTEES
NORTHEAST OHIO REGIONAL SEWER DISTRICT**

The Northeast Ohio Regional Sewer District (the "District") was created under Chapter 6119 of the Ohio Revised Code and pursuant to the orders of the Honorable George J. McMonagle in the Cuyahoga County Court of Common Pleas. The legal basis for the creation and organization of the District, the initial appointment of the Board of Trustees of said District (the "Board"), the number of members and the appointing authority for such members were established in those orders.

These Bylaws represent the official action of the Board pursuant to the authority granted it and govern the Board's operation of the District. The Board shall exercise all powers granted to it pursuant to these Bylaws, which shall become effective upon their adoption by the Board and shall be subject to amendment only as provided in Article XV herein.

TABLE OF CONTENTS

Article		Page
	Officers, Committees, Roles.....	3
II	Public Notice.....	4
III	Board Meetings.....	6
IV	Quorum and Voting.....	7
V	Conduct of Meetings.....	8
VI	Records of Meetings and Public Records Management.....	9
VII	Adoption of Rules and Regulations.....	10
VIII	Confidentiality and Executive Session.....	10
IX	Staff Appointments.....	11
X	Authorization for Settlement and Release Agreements.....	13
XI	Approval of Compensation.....	14
XII	Insurance.....	14
XIII	Indemnification and Defense.....	14
XIV	Contracting and Procurement.....	15
XV	Amendment or Rescission of Board Actions.....	20

OFFICERS, COMMITTEES, ROLES

A. The official name of the Board shall be the Board of Trustees of the Northeast Ohio Regional Sewer District. The Officers of the Board shall consist of a President, Vice President and Secretary, each of whom shall be elected by the Board annually at its first regular meeting in July, each to serve until his or her successor is elected. Should any of the offices of the Board become vacant, the Board shall elect a successor from its membership at the next regular meeting or at a special meeting called for such purpose prior to said regular meeting, and such election shall be for the unexpired term of said office.

B. There shall be three (3) Standing Committees of the Board: the Audit Committee, the Finance Committee and the Governance Committee. The Committees shall meet as needed throughout the year. The Board shall make all appointments to Standing Committees. Three (3) Board members shall serve on the Finance and Governance Committees, and the composition of the Audit Committee shall consist of one (1) Board member, who shall serve as the Committee chairperson, and two (2) independent, non-Board members, who shall possess a business or financial background. The independent members of the Audit Committee shall serve for a term of two (2) years and shall receive a stipend of One Hundred Dollars (\$100.00) per meeting.

C. From time to time the President may appoint one or more special or ad hoc committees to support the functions of the Board. The President shall appoint a

chairperson of each committee who shall serve at the pleasure of the President.

D. Each committee shall adopt a charter setting forth its scope and duty and present the same to the Board for approval.

II

PUBLIC NOTICE

A. The Secretary or designated District staff shall cause to be published, once a year, in a newspaper of general circulation in the District, the time(s) and place(s) of regular meetings of the Board for the calendar year. Such publication shall occur no later than two (2) days prior to the day of the first regular meeting of the Board for the calendar year. The Secretary or designated District staff shall also post, on the District's website and in an area accessible to the public during the usual business hours of the Administrative Office of the District, a statement of the time(s) and place(s) of regular meetings of the Board of the calendar year. If at any time during the calendar year the time or place of regular meetings or of any regular meeting is changed, on a permanent or temporary basis, a statement of the time and place of such changed regular meeting shall be so posted by the Secretary or designated District staff at least twenty-four (24) hours before the time of the first changed regular meeting.

B. Any person may, upon written or e-mail request, obtain notice of the time and place of all regular meetings of the Board of the Northeast Ohio Regional Sewer District.

C. Any person may, upon written or e-mail request, obtain notice of the time, place and purpose of all special meetings of the Board of the Northeast Ohio Regional Sewer District.

- 1) The Secretary or designated District staff shall post on the District's website and in an area accessible to the public during the usual business hours of the Administrative Office of the District, no later than twenty-four (24) hours before the time of the special meeting of the Board, a statement of the time, place and purpose of such special meetings, except in the case of an emergency requiring immediate official action.
- 2) Any news organization that requests notification of special meetings of the Board shall file with the Secretary or designated District staff a written or e-mail request therefor. Any such requests shall be effective until the Secretary or designated District staff receives written or e-mail notification from such organization or entity canceling or modifying such requests. The Secretary or designated District staff shall give oral, written, or e-mail notification to the news media that has requested such advance notification of the time, place and purpose of each special meeting, at least twenty-four (24) hours prior to the time of such special meeting.
- 3) In the event of an emergency requiring immediate official action, the Board member or members calling a special meeting, or designated District staff, shall immediately notify the news media that have requested notification of the time, place and purpose of the meeting.

D. Any person, upon written or e-mail request and payment of a reasonable fee, may obtain reasonable advance notification of all meetings at which any specific type of public business is scheduled to be discussed. Notification pursuant to the written or e-

mail request may be by email or by written notification. If written notification is requested, such request shall be accompanied by stamped, self-addressed envelopes sufficient in number to cover the number of regular meetings during the time period covered by the request and any special meetings which may be called. The Secretary or designated District staff shall notify in writing the requesting person when the supply of envelopes is running out, and if the person desires notification after such supply has run out such person must deliver to the Administrative Office of the District an additional reasonable number of stamped, self-addressed envelopes as a condition to receiving further notifications.

|||

BOARD MEETINGS

A. The Board shall conduct its business with regard to the operation of the District, including the adoption of resolutions, rules, regulations and official action of any kind, at public meetings held and conducted in accordance with applicable provisions of law and these Bylaws. The Board shall act only by oral or written motion or resolution adopted at such meetings and in accordance with these Bylaws.

B. The regular meetings of the Board shall be held a minimum of once each month at the District's principal office or at such other place as may be designated by the President. Notice of such designation shall be given by the President in the same manner as notice of special meetings provided for in this Article.

C. The President of the Board or the Chief Executive Officer of the District may, when either deems it necessary and expedient, or upon the written or e-mail request of

two members of the Board, call a special meeting of the Board for the purpose of transacting any business designated in the call. Notices of special meetings shall be delivered to the business or home address of each member or by e-mail at least twenty-four (24) hours before the time of such meeting, or given by telephone to or personally served upon each member at least three (3) hours before the time of such meetings, provided however that failure of such notice with respect to any member(s) shall be considered waived with respect to such member(s) by the attendance of such member(s) at any such meeting. At any special meeting, no business shall be considered other than as designated in the call.

IV

QUORUM AND VOTING

A. Four (4) members of the Board shall constitute a quorum and the affirmative vote of no less than four (4) members shall be necessary for the adoption of any motion or resolution. No vacancy in the membership of the Board shall impair the rights of a quorum to exercise all the rights and perform all the duties of the Board.

B. Where the members present at any meeting vote unanimously on any question or matter, no roll call vote or recording of Yeas and Nays shall be made. Where the vote is other than unanimous, or where a member wishes to record an abstention, the Secretary shall call the roll and Yeas and Nays and abstentions shall be recorded in the minutes.

C. When a member moves to hold an Executive Session pursuant to Section 121.22 of the Ohio Revised Code, the Secretary shall call the roll and Yeas and Nays

and abstentions shall be recorded in the minutes.

D. Notwithstanding any other provisions in these Bylaws, the operation of any provision(s) herein may be suspended by a vote of no less than four (4) members of the Board.

V

CONDUCT OF MEETINGS

A. The President shall chair all meetings. In the absence of the President, the Vice President shall perform this duty. In the absence of both the President and Vice President, the Secretary shall chair any meeting.

B. At regular meetings of the Board, the order of business shall be as set forth in the agenda prepared by the Secretary or designated District staff for that meeting.

C. At regular meetings of the Board, the minutes of the previous meeting shall be amended as necessary and may be approved by motion without objections.

D. All petitions, applications and communications intended for the consideration of the Board at a meeting (other than those presented by the members of the Board or on behalf of the Chief Executive Officer) may be written or oral, and shall not be considered nor acted upon by the Board unless provided to the Chief Executive Officer prior to that meeting; the Board may, however, grant exceptions to this requirement.

- 1) Members of the public who wish to address the Board relating to matters to be voted upon by the Board at a meeting must make such request known to the Chief Executive Officer prior to the start of that meeting. The Board shall permit such members of the public who so desire to speak or present

material, subject to the right of a majority of the members present to move the question. All such presentations must be relevant and presented in an orderly manner, and shall be limited by the President to such time as he or she deems reasonable, subject to the right of the Board to allow further time.

- 2) At the conclusion of the Board's consideration of all matters before it, the Board shall permit such members of the public who so desire to speak or present material on other matters. All such presentations must be relevant, and presented in an orderly manner, and shall be limited by the President to such time as he or she deems reasonable, subject to the right of the Board to allow further time.

E. If any requested Board action contains two or more divisible propositions, the President may, and upon request of a member shall, divide the same.

F. Insofar as they may apply and to the extent not otherwise provided for herein, the conduct of all meetings of the Board shall be governed by the latest edition of Robert's Rules of Order. In the event of any conflict between Robert's Rules of Order and these Bylaws, the provision(s) of these Bylaws shall control.

VI

RECORDS OF MEETINGS AND PUBLIC RECORDS MANAGEMENT

A. The Secretary shall be the official custodian of the public records of the Board and the proper person to certify any action of the Board. The Chief Executive Officer shall designate District staff to perform the duties set forth in this provision on behalf of the Secretary. An accurate and permanent record of the proceedings and minutes of all

meetings, regular and special, and all adopted resolutions shall be kept in the principal office of the District and shall constitute the only evidence of the acts of the Board at any meetings thereof when signed at the end of the record of such meeting by the presiding officer and the Secretary of the Board.

B. The Chief Executive Officer shall establish and maintain a program for the effective management of the public records of the District and designate records officers who shall have authority and responsibility of records officers in furtherance of the Public Records Act and Ohio law.

VII

ADOPTION OF RULES AND REGULATIONS

A. Rules and regulations of the District which set forth its continuing policies and procedures regarding the operation of the District's facilities, the use of the District's facilities, the construction and use of sewers and any other matter which may be regulated by the District shall be adopted by the Board and published as the Code of Regulations of the Northeast Ohio Regional Sewer District.

B. In the event of natural or man-made disaster which activates the National Incident Management System, the District shall function as set forth in the Charter of the Crisis Management Response Team adopted by this Board.

VIII

CONFIDENTIALITY AND EXECUTIVE SESSION

Board members shall be subject to and shall act in conformance with the District's Code of Ethics, the Ohio Open Meetings Act, all applicable Executive Session

and attorney-client privilege requirements, and specific confidentiality resolutions of the Board, including those made pursuant to Ohio Revised Code Sections 121.22 and 102.03(8). The attorney-client privilege of the District may only be waived by resolution adopted by a majority vote of the Board members, and shall apply only to such information as is specifically identified by the Board in such resolution adopted by majority vote.

IX

STAFF APPOINTMENTS

A. The Board shall appoint a Chief Executive Officer, a Chief Operating Officer, a Chief Financial Officer and a Chief Legal Officer, each of whom shall be full-time employees of the District and shall serve as determined by the Board. The Board shall appoint such full or part-time outside legal counsel as it deems necessary to best represent the Board.

- 1) The Chief Executive Officer of the District is the highest-level executive of the District and shall have general supervision and control of the administration and operations of the District, including the Strategic Plan and all final decisions relative to political, human resources, financial, environmental, and technical matters of the District, subject to the direction of the Board and any policies, rules and regulations adopted by the Board, and is charged with carrying out such other duties as the Board may, from time to time, direct him or her to perform, subject to these Bylaws.
- 2) The Chief Operating Officer is responsible for the daily management of

operations of the District, subject to the direction of the Chief Executive Officer, and any policies, rules and regulations adopted by the Board. In the event the position of Chief Executive Officer becomes vacant or in the case of absence or disability of the Chief Executive Officer, the Chief Operating Officer shall perform all the duties of the Chief Executive Officer and shall be designated as Acting Chief Executive Officer.

- 3) The Chief Financial Officer is the chief fiscal officer of the District and is responsible for District finances and shall have care and custody of all funds of the District and shall deposit or invest said funds as required by law, and shall be responsible for the disbursement of all funds of the District. The Chief Financial Officer is authorized to execute on behalf of the Secretary of the Board the certificate required by Section 5705.41 of the Ohio Revised Code as provided in Section 6119.10 of the Ohio Revised Code. The Chief Financial Officer shall perform his or her duties under the direction of the Chief Executive Officer and in accordance with any policies, rules and regulations adopted by the Board relating thereto. The Chief Financial Officer shall keep regular books of accounts showing receipts and expenditures and shall render to the Board upon request an account of District transactions and also of the financial condition of the District. The Chief Financial Officer shall, annually, obtain an Independent Auditor's Report of the financial condition of the District.
- 4) The Chief Legal Officer is the chief legal advisor of the District and shall be

charged with the responsibility of all legal and regulatory matters of the District. The Chief Legal Officer shall advise the Board and the Chief Executive Officer in developing overall management policy and on matters of legislation and regulations which may impact the District. The Chief Legal Officer shall perform his or her duties under the direction of the Chief Executive Officer and in accordance with any policies, rules and regulations adopted by the Board relating thereto. The Chief Legal Officer shall oversee the District's in-house attorneys and may retain the services of outside legal counsel as he or she deems necessary to best represent the District in accordance with the requirements of Article XIV.F.

B. The hiring, discipline or discharge of all other employees of the District shall be by the Chief Executive Officer, pursuant to such policies which may from time to time be adopted by the Board, except that the Chief Executive Officer shall report to the Board on any such action regarding the Chief Operating Officer, the Chief Financial Officer, or the Chief Legal Officer.

X

AUTHORIZATION FOR SETTLEMENT AND RELEASE AGREEMENTS

A. All legal settlement and release agreements, the value of which exceed Twenty-Five Thousand Dollars (\$25,000), shall be authorized by resolution adopted by the Board in a public meeting.

B. The Chief Legal Officer, with approval of the Chief Executive Officer, is authorized to enter into settlement and release agreements to resolve legal claims and

disputes on behalf of District, the value of which do not exceed Twenty-Five Thousand Dollars (\$25,000), upon such terms and conditions that the Chief Legal Officer has determined to be satisfactory and in the best interest of the District. The Chief Legal Officer shall periodically, but not less than annually, report all settlement and release agreements to the Board without regard to amount.

XI

APPROVAL OF COMPENSATION

A. The Board shall, by resolution, approve the salary of all classifications of salaried employees of the District and the hourly rate of pay for all classifications of hourly employees of the District.

XII

INSURANCE

A. The District shall obtain Public Official's Liability Insurance and Employee Dishonesty Insurance coverage from an insurance company authorized to do business in the State of Ohio for all of its trustees, officers, and employees in such amounts and with such coverages as the Board determines to be appropriate. The District is further authorized to obtain other general liability and property insurance coverages as the Board determines to be appropriate.

XIII INDEMNIFICATION AND

DEFENSE

A. The District shall defend, indemnify, keep and save harmless the members of the Board and all other employees of the District from any claim or suit for damages

arising out of their official acts performed within the scope of their duties on behalf of the District in accordance with applicable provisions of Ohio law. The duty to provide for the defense does not apply to civil actions or proceedings that are commenced by or on behalf of the Board or the District.

XIV

CONTRACTING AND PROCUREMENT

A. The Board shall be the official Contracting Agent of the District and all purchases, contracts, agreements for the acquisition of real estate and interests in real estate, options or other documents or actions creating any right or obligation, contractual relationship from, in or to the Board shall be executed, given, transferred, assigned, delivered, accepted or received on behalf of the Board in accordance with Section 6119 of the Ohio Revised Code.

B. Except for those purchases or contracts the cost of which will not exceed Fifty Thousand Dollars (\$50,000), the signature of the President or Vice President and the Chief Executive Officer or his or her designee shall be necessary to fully execute any such document on behalf of the Board unless otherwise authorized by the Board.

C. All purchases and contracts under which funds of the District are to be paid shall bear the approval of the Chief Financial Officer as to the availability of funds. All contracts under which funds are to be received by the District shall bear an acknowledgment by the Chief Financial Officer that such funds shall be deposited into the Treasury and directed for authorized purposes.

D. All purchases and contracts shall bear the approval of the Chief Legal Officer

as to the legal form and correctness of such document.

E. Any and all purchases authorized by the Board in carrying out its operation of the District shall be made in conformance with the provisions of Section 6119.10 of the Ohio Revised Code, and the provisions of any policies, rules and regulations adopted by the Board relating thereto.

1) PURCHASES AND PROCUREMENTS NOT IN EXCESS OF FIFTY THOUSAND DOLLARS (\$50,000). The Chief Executive Officer is authorized to purchase labor, material, supplies, professional, technical, consulting or other special services, or services for any work under the supervision of the Board, the cost of which will not exceed Fifty Thousand Dollars (\$50,000), without a resolution approved by the Board.

2) PURCHASES AND PROCUREMENTS IN EXCESS OF FIFTY THOUSAND DOLLARS (\$50,000). The purchase of labor, material, supplies or services, other than professional services or emergency purchases described below, the cost of which is in excess of Fifty Thousand Dollars (\$50,000) shall be authorized by the Board by resolution only after competitive bidding pursuant to Section 6119.10 of the Ohio Revised Code, and any policies, rules and regulations adopted by the Board. Upon the receipt of bids and the evaluation by the Chief Executive Officer and his or her staff, the Chief Executive Officer shall request authority from the Board to make a purchase or enter into a contract as may be required.

F. PROFESSIONAL, TECHNICAL, CONSULTING, REAL ESTATE, OR OTHER

SPECIAL SERVICES AND DESIGN-BUILD CONTRACTING. In contracting for professional, technical, consulting or other special services, expenditures for acquisition of real estate and interests in real estate, the discharge of non-contractual claims, personal services, the joint use of facilities or exercise of powers with other political subdivisions, or product or services of public utilities, or in utilizing any design-build contracting model authorized under Ohio law, which are not subject to the competitive bidding requirements of Section 6119.10 of the Ohio Revised Code, the cost of which is in excess of Fifty Thousand Dollars (\$50,000), the Board may, after considering the competence, ability and availability of any person, firm or corporation or the necessity for such a purchase and the recommendation of the Chief Executive Officer, approve by resolution the hiring of such person, firm or corporation or the making of such a purchase and authorize a contract therefor or the purchase thereof.

G. EMERGENCY CONTRACTS AND PURCHASES. The Board shall authorize emergency purchases pursuant to Section 6119.10 of the Ohio Revised Code.

- 1) In the case of an emergency affecting the operation of the District or affecting the Chief Executive Officer's ability to properly carry out his or her responsibilities relative to the operation of the District, the Chief Executive Officer may take such actions or authorize the immediate purchase of such labor, materials, equipment, supplies and/or services of any kind the expenditure of which is in excess of Twenty-Five Thousand Dollars (\$25,000), but not in excess of Seventy-Five Thousand Dollars (\$75,000), as he or she deems necessary to alleviate such emergency situation. The Chief

Executive Officer shall immediately inform the Board of his or her actions and present to the Board a resolution request to ratify such actions at the next regular meeting of the Board.

- 2) In the event that the expenditure for labor, materials, equipment, supplies and/or services necessary to alleviate an emergency situation as described above is in excess of Seventy-Five Thousand Dollars (\$75,000), the Chief Executive Officer shall, before issuing an order for such amount, obtain the verbal approval of the President or Vice President of the Board; provided, however, should the President and Vice President be unavailable, the verbal approval of the Secretary of the Board shall be obtained. After receiving such approval and issuing the appropriate order(s), the Chief Executive Officer shall notify all Board members of his or her actions and shall present a resolution request to the Board at its next regular meeting to ratify such actions.

H. CONTRACT MODIFICATIONS. Except for those contracts, agreements, purchases or contracts for labor, material, supplies, professional, technical, consulting, or other special services, the expenditure of which will not exceed Twenty-Five Thousand Dollars (\$25,000), the Board, upon the recommendation of the Chief Executive Officer, shall approve all contract modifications.

- 1) For purposes of these Bylaws, a contract modification is defined as any change to contract terms and conditions that results in an increase to the original contract amount authorized by the Board, or a change to the original

scope of the contract as stated in the contract terms and conditions, or a change in the contract schedule that extends the original completion date of the contract more than one hundred eighty (180) days.

- 2) The terms of a contract modification must be agreed upon in writing by the District and the entity with whom the contract modification will be made.
- 3) If, in the judgment of the Chief Executive Officer, it is necessary to perform such work immediately, the Chief Executive Officer shall order such work to be performed, on an emergency basis, as authorized in Article XIV.G. of these Bylaws, and shall submit the contract modification to the Board for ratification at the next regular meeting.
- 4) SPECIFIC AND GENERAL ALLOWANCES. The Chief Executive Officer is authorized to establish specific and general contract allowances in contracts for construction projects.
 - a) Unless otherwise authorized by the Board, the general allowance for any given construction project shall not exceed ten percent (10%) of the base contract price bid, excluding specific allowances.
 - b) The Board may authorize modifications to specific and general allowance levels on certain projects if requested by the Chief Executive Officer and authorized by resolution adopted pursuant to these Bylaws.
 - c) The Board authorizes the Chief Executive Officer to approve all work orders and construction change directives under which general

contract allowance funds will be utilized, that do not involve a modification to the contract as defined in these Bylaws. The Board authorizes the Chief Executive Officer, or his or her designee, to approve all work orders and construction change directives under which specific contract allowance funds will be utilized, that do not involve a modification to the contract as defined in these Bylaws.

I. CONSTRUCTION CONTRACT CLOSE-OUT. Upon completion of each project the Chief Executive Officer shall present a resolution request to the Board detailing all relevant information associated with the project and authorizing the contract close-out.

XV

AMENDMENT OR RESCISSION OF BOARD ACTIONS

A. The Bylaws, Code of Regulations and Resolutions adopted by the Board shall be amended or rescinded only with the approval of at least four (4) of the members of the Board at any regular Meeting or at a special Meeting called for that purpose.

B. Proposed changes to the Code of Regulations shall be submitted to all member communities no less than thirty (30) days in advance of Board action thereof.