

BY-LAWS OF THE BOARD OF TRUSTEES OF
THE SOUTHWEST REGIONAL WATER DISTRICT

ARTICLE I

PRELIMINARY MATTERS

1. R.C. § 6119.06(A) authorizes the Board of Trustees to adopt by-laws for the regulation of the District's affairs, the conduct of its business, and notice of its actions. These By-laws are adopted by the Board pursuant to that authority.
2. Terms used in these By-laws shall have the same meaning as prescribed in any rules or regulations adopted by the Board of Trustees pursuant to the authority granted by R.C. § 6119.08. Except as expressly prescribed in any such rules or regulations, words used in these By-laws shall be given their plain and ordinary meaning.
3. Except as otherwise expressly provided herein, a meeting of the Board of Trustees, a meeting of any committee of the Board, and a meeting of the Customers shall be conducted in accordance with Robert's Rules of Order as in effect at the time of such meeting. Any decision by the Board of Trustees concerning the conduct of any meeting shall be final.

ARTICLE II

MEETINGS OF CUSTOMERS

1. An annual meeting of the Customers of the District shall be held in March of each year. The Board of Trustees shall designate a reasonably-convenient location, date, and time for the holding of the annual meeting. Written notice of the date, time and location of the Annual Meeting shall be mailed by first class mail to each Customer of record, directed to the address shown upon the records of the District, not less than thirty (30) days prior to such meeting. The Board may change the location, date, and/or time of the meeting by giving notice thereof to each Customer not less than ten (10) days in advance thereof. No failure or irregularity of notice of any annual meeting, regularly held, shall affect any proceedings taken at the meeting.
2. A special meeting of the Customers may be called at any time by the action of the Board of Trustees and such meetings must be called whenever a petition requesting such meeting is signed by at least ten percent of the Customers and presented to the Secretary or to the Board of Trustees. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted at such meeting except as is specified in the notice. The notice of a Special Meeting shall be published on the District's web-site and in a newspaper of general circulation in the District not less than ten (10) days prior to the date of the meeting.
3. Each Customer shall have one (1) vote. When more than one person holds the interest in a property served, the vote shall be exercised by the person in whose name the water service is registered in the records of the District or by such person as the several persons may

designate, but in no event shall more than one vote be cast with respect to any water service.

4. While a Customer's water service rights are under suspension and after a Customer's water service rights have been terminated, the Customer, or former customer, shall have no vote in the affairs of the District.
5. The presence in person at a meeting of not less than 25 Customers entitled to vote at the meeting shall constitute a quorum.
6. At each annual meeting, the Customers shall elect three Trustees, each for a three-year term, to succeed the Trustees whose terms are expiring. Customers entitled to vote may cast ballots for the election of the Trustees. No cumulative voting shall be allowed. The procedure for conducting the election shall be as follows:
 - a. Not later than its November regular meeting of each calendar year, the Board of Trustees shall appoint a nominating committee consisting of not fewer than three Customers, one of whom shall be a currently-serving Trustee whose term is NOT expiring.
 - i. The nominating committee shall nominate individual Customers to serve as candidates for election as Trustees at the next Annual Meeting.
 - ii. The number of nominated candidates shall be not less than the total number of expiring terms to be filled at the upcoming annual meeting plus one additional candidate.
 - iii. Not later than eight days before the January regular meeting of the Board, the nominating committee shall file a report with the Secretary of the Board including the names of the committee's nominees, a brief description of the committee's reasons for concluding that each nominee would be qualified to serve as a member of the Board, and (in the event that any applicants for the position are not nominated) a brief description of the committee's reasons for not nominating any other applicants who have timely applied in the manner prescribed by the Board.
 - iv. At its January regular meeting, the Board shall consider the report of the nominating committee and approve a slate of nominated candidates to stand for election. The Board shall have the discretion to accept or reject any Customer nominated by the nominating committee and to approve for nomination any Customer not nominated by the nominating committee, provided the number of candidates nominated by the Board complies with paragraph 6.a.ii above. The Board's decision shall be final and binding.
 - b. Not later than the mailing of the ballots, the Board shall appoint not fewer than three (3) persons (one or more of whom may be employees of the District) as Tellers to count the votes cast by the Customers as provided herein.
 - c. Not later than thirty (30) days prior to the Annual Meeting, a ballot shall be sent by regular U.S. Mail to each Customer at the mailing address shown in the records maintained by the District.
 - i. The ballot shall contain the following:

- (1) The names of those candidates nominated by the Board of Trustees, and
 - (2) Space for write-in candidates; provided, however, that no vote for a write-in candidate will be tabulated unless such candidate has, not less than seven days prior to the Annual Meeting, filed a written statement with the Secretary indicating that he/she is willing to serve as a Trustee if elected. This requirement shall be printed on the absentee ballot.
- ii. The following shall be included with the ballot mailed to each Customer:
- (1) A biographical description of each nominated candidate consisting of not more than 150 words, plus a brief personal statement of not more than 100 words provided by each candidate describing the candidate's reasons for seeking election to the Board of Trustees (Candidate descriptions and personal statements shall be approved by either the Nominating Committee or the Board of Trustees prior to preparation and mailing of the ballots.); and
 - (2) A self-addressed, return envelope, with "Ballot Enclosed" printed on the envelope, will be provided by the District for return of the absentee ballots. Absentee ballots must be returned in the envelopes provided to be valid and must be received at the District's office not later than the closing of the District's administrative office on the third day prior to the Annual Meeting; this requirement shall be clearly indicated with the ballot mailed to each Customer
- d. Each Customer may mark the provided ballot for not more than the number of positions to be filled by election at the upcoming annual meeting and may cast the Customer's ballot by either of the following methods:
- i. Returning the completed ballot to the District's administrative office.
 - (1) Ballots must be returned by U.S. Mail or by hand-delivery and must be physically received in the District's administrative office not later than the third calendar day prior to the date of the annual meeting.
 - (2) Ballots cast prior to the meeting must be sealed in the self-addressed, return envelope provided with the ballot when received at the District's administrative office.
 - (3) Ballots cast prior to the meeting in accordance with the foregoing requirements shall be held by one of the Tellers designated by the Board to receive, verify and keep the unopened envelopes secure. No other District employee or officer shall open or alter the returned envelopes.
 - (4) Ballots cast prior to the meeting that fail to comply with the requirements prescribed herein shall be deemed invalid and shall NOT be counted, provided however that any such invalid ballot shall be maintained in the condition in which it was received until all ballots are destroyed following completion of the election in accordance with the District's Records Retention Policy.

- ii. Delivering, at the time designated herein, a completed ballot to one of the Tellers, appointed by the Board, who are collecting ballots during the annual meeting.
 - (1) No Customer who has timely returned a ballot to the District's administrative office prior to the commencement of the annual meeting will be eligible to cast a ballot at the annual meeting even if the earlier returned ballot has been determined to be invalid.
 - (2) Each Customer who attends and is eligible to cast a ballot at the annual meeting shall be provided with an official meeting ballot containing the names of the nominated candidates and a space for write-in candidates.
 - e. The Tellers appointed by the Board, together with the Chair of the Nominating Committee, shall be responsible for counting the votes shown on the ballots cast in compliance with the requirements stated herein. The Chairperson of the Nominating Committee shall participate in and supervise the opening and counting of all ballots. The Chairperson will keep in his/her possession and present at the Annual Meeting the final tally sheet which shall be signed by the Tellers to assure the count is valid and has not been altered.
 - i. Ballots properly returned to the District's administrative office prior to the annual meeting shall be opened, reviewed, and tallied by the Tellers two working days prior to the annual meeting.
 - ii. Immediately after collection of the meeting ballots at the Annual Meeting, the Tellers, together with the Chair of the Nominating Committee, shall review the meeting ballots and shall tally and count the votes marked on those ballots.
 - iii. No write-in vote for a candidate shall be counted unless such candidate has, not less than seven days prior to the Annual Meeting, filed a written statement with the Secretary indicating that he/she is willing to serve as a Trustee if elected.
 - f. The tally of the votes counted from the ballots returned prior to the annual meeting shall be combined on the official tally sheet with the tally of the votes counted from the meeting ballots. The candidates receiving the most votes on the final tally sheet shall be deemed to have been elected to the new 3-year terms for the expiring positions. In the event of a tie, the current Board, at its next regular meeting or at a special meeting called for the purpose, shall select from the tied candidates the candidate who will be deemed to have been elected.
7. The order of business at the Annual Meeting of the Customers shall be:
- a. Call to order and proof of quorum
 - b. Reports of officers and committees
 - i. Secretary's Report and approval of minutes from last Annual Meeting
 - ii. Financial Report
 - iii. General Manager's Report
 - iv. Other

- c. Consideration of any proper item of business on which action was deferred at a prior meeting of the Customers
- d. Consideration of any proper item of new business
- e. Collection of meeting ballots for election of Trustees
- f. Announcement of results of election for Trustees
- g. Adjournment

ARTICLE III

TRUSTEES AND OFFICERS

1. The Board of Trustees of the District shall be composed as per the Entry of the Court for the District, as filed with the Clerk of the Court of Common Pleas of Butler County, Ohio, on June 25, 1992, under case number CV92-04-0830. Each member of the Board shall be a natural person who is a Customer in good standing and whose principal residence is located within the territory of the District. Each member of the Board who is elected by the Customers shall serve a three-year term commencing with the first day of the month commencing after the Annual Meeting at which the member was elected. Each person elected or appointed to serve as a Trustee must file his or her written oath (in accordance with Sections 3.20, *et seq.* of the Ohio Revised Code) with the Secretary of the Board before being qualified to assume the position and exercise the authority of a Trustee.
2. The Board may create one or more committees in order to assist the Board with the performance of its duties. Any committee may be designated as either a standing committee which shall continue until terminated by the Board, or an ad hoc committee which shall continue only until completion of the purpose for which the committee was created or until discharged by the Board. Notwithstanding the foregoing, the Board shall appoint the following committees:
 - a. The Board shall appoint an Officer Nominating Committee as an ad hoc committee at either the January or February regular meeting of the Board of Trustees during each calendar year. The Officer Nominating Committee shall consist of three current members of the Board. The current Board President shall not be permitted to appoint or serve *ex officio* on the Officer Nominating Committee. The Committee shall meet between the Annual Meeting and the regular April Board meeting for the sole purpose of identifying candidates with interest in serving in various officer roles and to assess the qualifications of those expressing interest in serving. The Officer Nominating Committee shall recommend one or more nominees for each office at the regular April Board meeting. The Officer Nominating Committee shall terminate once the Board has elected its officers at its regular April meeting.
 - b. The Board shall appoint an Audit Committee as a standing committee for the purpose of monitoring the preparation and maintenance of the financial records of the District, reviewing the work of the Finance Manager on a regular and consistent basis, and providing annual written and oral reports to the Board (at

- the February regular meeting) and to the Customers (at the Annual Meeting) regarding the financial condition of the District.
- i. The Audit Committee shall consist of three current members of the Board who shall be annually appointed by a vote of the Board at the April regular meeting. Commencing upon adoption of these By-laws, the Board shall, as soon as practicable, appoint three members to serve until the next annual appointment of committee members. A member of the Board may be appointed to serve more than one term on the Audit Committee.
 - ii. The Audit Committee shall determine the procedures and methods to be employed by the Committee to perform the functions described in these By-laws.
 - iii. The Audit Committee's report to the Customers at the Annual Meeting shall include the following information:
 - (1) A summary of basic financial information for the preceding fiscal year, including total income, total expenses, assets, liabilities, and cash balances (beginning and ending);
 - (2) A synopsis of the annual audit(s) of the District's finances published since the previous Annual Meeting;
 - (3) Other financial information about the District pertinent to business on the meeting agenda; and
 - (4) Any other financial information that the Board of Trustees may require in advance.
- c. The Board shall appoint a Policy Committee as a standing committee for the purpose of considering recommendations from the General Manager for adoption or modification of any Regulation, By-Law, or employee policy. The Policy Committee may also be assigned additional duties by the Board at its discretion.
- i. The Policy Committee shall consist of three current members of the Board who shall be annually appointed by a vote of the Board at the April regular meeting. Commencing upon adoption of these By-laws, the Board shall, as soon as practicable, appoint three members to serve until the next annual appointment of committee members. A member of the Board may be appointed to serve more than one term on the Policy Committee.
 - ii. The Policy Committee shall determine the procedures and methods to be employed by the Committee to perform the functions described in these By-laws.
3. At its April regular meeting, the Board of Trustees shall annually elect a president, vice-president, and a secretary, from among themselves, each of whom shall hold office until the election and qualification of each officer's successor, unless sooner vacated by forfeiture, death, resignation, loss of qualifications to serve as a Trustee, or for cause in accordance with Section 7 of this article. No Trustee may hold multiple offices at the same time.

4. If the position of any Trustee becomes vacant by reason of a Trustee's death, resignation, forfeiture, retirement, or loss of qualifications to serve as a Trustee, or by a Trustee's removal from office pursuant to Section 3.08 of the Ohio Revised Code, the remaining Trustees may, by majority vote at a regular or special meeting of the Board of Trustees, appoint a successor who shall hold office for the remainder of the unexpired term.
5. A majority of the Board of Trustees shall constitute a quorum at any meeting of the Board. The affirmative vote of a majority of the Trustees physically present at a meeting at which a quorum has been established shall be the act of the Board.
6. For performing the normal and customary duties of a Trustee as described in these By-laws, each Trustee shall receive an annual salary of twelve hundred dollars (\$1,200.00) payable in equal monthly installments. In the event a Trustee attends a special meeting of the Board (other than the annual meeting or a re-scheduled regular meeting); attends another Board-sanctioned meeting, conference, seminar, or event; or performs other special services for which the Trustee is entitled to be compensated as approved by the Board, the Trustee shall receive compensation at the per meeting rate fixed by the Customers of the District; compensation for such special services shall be treated as taxable income but shall not be earnable salary for purposes of the Ohio Public Employees Retirement System. Each calendar day of a Trustee's attendance at a special meeting, or any Board-sanctioned meeting, conference, seminar, or event shall be considered to be a separate meeting for purposes of determining the Trustee's compensation. Compensation of Trustees may be modified at the Annual Meeting of the Customers of the District, provided that notice of the proposed modification of the compensation of the Trustees shall be included in the notice of the Annual Meeting as required by these By-laws. Any Customer proposing to modify the compensation of the Trustees shall, not later than the fifteenth day of January of the year of the Annual Meeting, deliver a written motion to modify the compensation to the Secretary of the Board of Trustees; such motion must be signed by not fewer than two (2) Customers entitled to vote at the annual meeting.
7. Trustees may be removed from office in the manner provided by Section 6119.071 of the Ohio Revised Code.
8. No person who has served as a Trustee of the District may be employed by the District for a period of three years after the conclusion of his/her term as a Trustee.
9. In order to assure the public that each member of the Board has complied with the Ohio laws relating to conflicts of interest and has exercised his/her discretion on matters coming before the Board in the best interests of the District rather than any personal interest and to provide a sufficient basis on which the financial records of the District may be audited, each Trustee shall, upon his/her election or appointment and not later than the March meeting of the Board of each year thereafter, sign and file with the Secretary of the Board a Conflict of Interest Statement in the form attached to these By-laws as Exhibit "A."

ARTICLE IV

DUTIES OF TRUSTEES

1. As provided in Section 6119.07 of the Ohio Revised Code, all the capacity of the District shall be vested in and its authority shall be exercised by the Board of Trustees which shall manage and conduct the affairs of the District. Without prejudice to or limitation upon its general powers, it is hereby expressly provided that the Board of Trustees shall have, and are hereby given, full power and authority in respect to the matters as hereinafter set forth to be exercised by resolution duly adopted by the Board or by action expressly stated in the minutes of a meeting of the Board.
 - a. To approve applications for water service. The Board may make binding commitments to grant water service rights and to permit the connection of properties to the system in the future in cases involving proposed construction.
 - b. To borrow from any source, money, goods or services and to make and issue notes and other negotiable or nonnegotiable instruments evidencing indebtedness of the District; to issue water revenue and special bonds, or notes in anticipation thereof, in accordance with the Ohio Revised Code; to make and issue pledges of revenue, trust agreements, and other instruments evidencing a security interest in the revenues of the District; and to do every act and thing necessary to effectuate the same.
 - c. To prescribe, adopt and amend, from time to time, such equitable uniform rules and regulations as, in its discretion, may be deemed essential or convenient for the conduct of the business and affairs of the District and guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof
 - d. To order, at least once each year, an audit of the books and accounts of the District in accordance with the laws of the state of Ohio. Upon its approval and release by the Auditor of State, the audit report shall be made available for review in accordance with law. Copies of such audits shall be submitted to such parties as may be required by other agreements.
 - e. To fix and alter the fees and charges to be paid by each customer; to fix and to alter the charges and assessments to be paid by each customer for services rendered by the District to the customer, including additional connection fees where such are deemed necessary by the Board of Trustees to defray extraordinary installation costs, and penalties for late or non-payment of same, and to fix and to alter the method of billing, time of payment and manner of connection of service. The Board of Trustees may establish one or more reasonable classes of customers. The fees and charges for service shall be uniform within each class. All penalties and the method of billing and payment shall be uniform for all classes.
 - f. To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the District to give adequate bonds, the cost thereof to be paid by the District, and it shall be mandatory upon the Board of Trustees to so require.
 - g. To select, in accordance with Ohio law, one or more banks or financial institutions to act as depositories of the funds of the District and to determine the manner of

receiving, depositing, and disbursing the funds of the District, with the power to change such depositories and the person or persons authorized to make or approve disbursements of funds of the District.

2. The Board may make and enter into all contracts and agreements and execute all instruments necessary or incidental to the performance of the District's duties and the execution of its powers under R.C. Chapter 6119. Notwithstanding the foregoing, the Board may, pursuant to R.C. §6119.10, designate any officer or employee of the District to make any type of contract for the purchase of supplies or material or for labor for any work, under the supervision of the Board, the cost of which does not exceed fifty thousand dollars. The following officer(s) or employee(s) of the District shall have authority to make contracts on behalf of the District of the following types without the necessity of specific prior approval by the Board of Trustees.
 - a. The General Manager shall have the authority to:
 - i. Contract or submit an order on behalf of the District for the purchase and delivery of supplies, material, labor, or services necessary or incidental to the performance of the District's duties and the execution of the District's powers under R.C. Chapter 6119, provided that the aggregate amount of the District's obligation under any single contract or order does not exceed Twenty Five Thousand Dollars (\$25,000);
 - ii. In case of a real and present emergency, contract on behalf of the District (with the prior approval of the President and subject to ratification by the Board of Trustees) for the immediate purchase and delivery of supplies, material, labor, or services necessary to prevent loss to person or property, provided that the aggregate amount of the District's obligation under any single contract does not exceed Fifty Thousand Dollars (\$50,000); and
 - iii. Allow and authorize the payment of written claims for completed work or stored materials pursuant to any contract for the construction, demolition, alteration, repair, or reconstruction of any water resource project or other public improvement awarded, approved, and executed by the Board of Trustees, provided that such claims have been reviewed and validated either by the District's Operations Manager or the consulting engineer or design professional for the project.
 - b. The Finance Manager shall have the authority to:
 - i. Upon certification of receipt from the receiving department or employee, authorize the payment of written invoices for goods received by and services rendered to the District pursuant to any contract or order previously approved by either the Board of Trustees or the General Manager; and
 - ii. Authorize the payment of periodic written invoices for electricity, natural gas, telephone, or telecommunications services provided to the District by Butler Rural Electric Cooperative, any regulated public utility in accordance with published rates/tariffs of such public utility, or any electricity generator in accordance with rates provided in a written contract with such generator expressly approved by the Board of Trustees at a meeting of the Board.

3. The Board of Trustees shall hold a regular meeting at least once each month. All such meetings shall be public meetings in accordance with §121.22 of the Ohio Revised Code. A written meeting notice and anticipated agenda shall be delivered to each Trustee at least 24-hours in advance of each regular meeting. Written notices and agendas shall be delivered by regular U.S. Mail, except that delivery may instead be made by other means upon request to the General Manager by the individual Trustee. Notwithstanding the foregoing, neither the written notice nor the anticipated agenda provided prior to a regular meeting shall limit the business which the Board may consider and act upon at any regular meeting.
 - a. At the meeting held in December of each year, the Board shall establish a schedule of its regular meetings for the upcoming year. Such schedule (including the scheduled time and place of each meeting) shall be promptly communicated in writing to each Customer and posted on the District's website. The General Manager shall also immediately provide a copy of such schedule to a newspaper of general circulation within the territory of the District. The Board may reschedule any regularly-scheduled meeting by majority vote at a regular or special meeting of the Board of Trustees.
 - b. In the event of a special meeting, the General Manager will provide at least 24 hours advance notice of the time, place and purpose of such meeting to each Trustee and to other such persons or entities that are legally entitled to notice.
 - c. In the event of an emergency meeting, the General Manager will immediately notify the news media, which have requested notification, of the time, place and purpose of the meeting.
 - d. Any person may, upon request and payment of an annual fee of \$20.00, obtain reasonable advance notification of all meetings at which a specific type of public business is to be discussed. Such notification will be provided by placing such person's name on a mailing list, and by mailing, to each person on such list, a copy of the agenda for each meeting; such mailing will be made not less than 3 days prior to any regular meeting, and not less than 1 day prior to any special meeting. No notice of emergency meetings will be mailed.

ARTICLE V

DUTIES OF OFFICERS

1. President: The President shall preside over all meetings of the Customers and of the Board of Trustees, call special meetings of the Board of Trustees, perform all acts and duties usually performed by an executive and presiding officer, and sign, on behalf of the District, all documents as he may be authorized or directed to sign by the Board of Trustees, provided the Board of Trustees may authorize any person to sign any or all checks, contracts and other instruments in writing on behalf of the District. The President shall perform such other duties as may be prescribed by the Board of Trustees.

2. Vice-President: In the absence or disability of the President, the Vice-President shall perform the duties of the President; provided, however, that in case of death, resignation or disability of the President, the Board of Trustees may declare the office vacant and elect a successor.
3. Secretary: The Secretary shall:
 - a. Keep a complete record of all meetings of the District and of the Board of Trustees, and sign the approved minutes;
 - b. Make a full report of all matters and business pertaining to the Secretary's office to the Customers at the Annual Meeting or at such time or times as the Board of Trustees may require;
 - c. Attest the signature of authorized officers or employees on all documents pertaining to the District to the extent required by law unless otherwise directed by the Board of Trustees;
 - d. Keep the seal of the District and affix said seal to any papers requiring seal;
 - e. Receive and properly file, record, report, or otherwise act upon, all written motions, oaths, petitions, statements, notices, and bonds as required by law, by these By-laws, and by the regulations adopted by the Board of Trustees;
 - f. Make all reports required by law and perform such duties as may be required of the Secretary by the Board of Trustees; and
 - g. Serve, mail, or deliver all notices required by law, by these By-laws and by the regulations adopted by the Board of Trustees;
 - h. Keep a complete record of the current By-laws, regulations, special rules of order, and standing rules of the District;
 - i. Keep a proper customer record showing the name of each Customer of the District and the date of initiation, transfer, termination, cancellation or forfeiture of each customer's water rights;
 - j. Turn over to a successor elected by the Board all books and other property belonging to the District that the Secretary may have in his/her possession.

Except for the duties of signing, attesting, and sealing as prescribed herein, or as otherwise required by law, the Secretary may be assisted by other Trustees and/or by one or more employees of the District in conducting his/her duties; however, the Secretary shall regularly review to ensure that all duties of the office are faithfully performed and shall report any material discrepancies to the Board. Any and all official records of the Secretary's office shall be kept on District property except as otherwise necessary for proper performance of the duties of the office or as otherwise approved by action of the Board.

ARTICLE VI

PRINCIPAL EXECUTIVE EMPLOYEES

1. General Manager: The Board of Trustees shall select and appoint a General Manager to serve as the principal executive of the District.
 - a. The General Manager shall serve at the pleasure of the Board and may be removed by the Board with or without cause. Although the Board may not limit its authority to remove the General Manager, the Board may agree, in writing, to provide severance benefits to the General Manager in the event the General Manager is removed without cause.
 - b. By action at a public meeting, the Board shall, in writing, prescribe the duties and responsibilities of the General Manager as may not be inconsistent with law, and fix the compensation of the General Manager.
 - c. The General Manager shall select and employ qualified persons to fill positions approved by the Board and shall fix the rate of pay (salary or wages) for each such employee either within the pay ranges established by the Board for pertinent positions or per any applicable collective bargaining agreement, provided that the total of the salary and wages payable to such employees does not exceed, in the aggregate, the gross amount of the appropriations approved by the Board for salary purposes.
 - d. The Board will meet, at least annually, with the General Manager to review his/her performance of the duties and responsibilities prescribed by the Board and to provide feedback to the General Manager concerning the Board's performance review. To the extent practicable, the Board will make commercially reasonable efforts to provide the General Manager with guidance to assist the General Manager to meet the Board's expectations for his/her work performance.
2. Finance Manager: The General Manager shall select and employ a qualified person as the Finance Manager who shall have direct responsibility for the preparation and maintenance of the financial records of the District.
 - a. The Finance Manager shall provide periodic financial reports (including copies of monthly financial statements) to the Board at each of its regular monthly meetings and at such other times as requested by the Board.
 - b. The Finance Manager shall make all reports, filings or statements required by law or by the regulations or by-laws approved by the Board.
 - c. In the event that the Auditor of State makes any audit findings (either for recovery of improperly-expended public monies or for non-compliance with legal requirements) or provides recommendations for improvement of internal controls, the Finance Manager shall, within a reasonable time, prepare a reasonable written plan for complying with such findings or recommendations and present such plan to the Board for review and comment.
 - d. The Finance Manager shall perform such other duties with respect to the finances of the District as shall be prescribed by the Board of Trustees.

- e. The Finance Manager shall serve as the fiscal officer of the District and the custodian of the public monies belonging to the District.
- f. The Finance Manager shall file with the Secretary a bond in an amount fixed by the Board conditioned upon the Finance Manager's faithful performance of the duties of the position. The District shall pay the premium for the bond.
- g. Upon his/her separation from service with the District, the Finance Manager shall turn over to his/her successor all records, monies, or other property of the District as may be in his/her possession or control. If no successor Finance Manager has yet begun employment with the District, the Finance Manager shall deliver such property to the General Manager.

ARTICLE VII

AMENDMENTS

1. These By-laws may be repealed or amended by a vote of a majority of the Board of Trustees. Notice of any proposed changes to these By-laws shall be made in writing to all Trustees at least three days prior to any regular meeting at which they are to be considered or at least one day prior to any special or emergency meeting at which they are to be considered.

EXHIBIT "A"

ANNUAL CONFLICT OF INTEREST STATEMENT

Ohio law imposes various obligations on the District's Trustees as public officials to avoid conflicts of interest between each Trustee's public duties and his/her private interests. These laws provide in part as follows:

R.C. §102.03

(A)(1) No present or former public official or employee shall, during public employment or service or for twelve months thereafter, represent a client or act in a representative capacity for any person on any matter in which the public official personally participated as a public official through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or other substantial exercise of administrative discretion.

(B) No present or former public official or employee shall disclose or use, without appropriate authorization, any information acquired by the public official in the course of the public official's official duties that is confidential because of statutory provisions, or that has been clearly designated to the public official as confidential when that confidential designation is warranted because of the status of the proceedings or the circumstances under which the information was received and preserving its confidentiality is necessary to the proper conduct of government business.

(D) No public official or employee shall use or authorize the use of the authority or influence of office to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the public official with respect to the public official's duties.

(E) No public official or employee shall solicit or accept anything of value that is of such a character as to manifest a substantial and improper influence upon the public official with respect to the public official's duties.

R.C. §2921.42(A). No public official shall knowingly do any of the following:

(1) Authorize, or employ the authority or influence of the public official's office to secure authorization of any public contract in which the public official, a member of the public official's family, or any of the public official's business associates has an interest;

(2) Authorize, or employ the authority or influence of the public official's office to secure the investment of public funds in any share, bond, mortgage, or other security, with respect to which the public official, a member of the public official's family, or any of the public official's business associates either has an interest, is an underwriter, or receives any brokerage, origination, or servicing fees;

(3) During the public official's term of office or within one year thereafter, occupy any position of profit in the prosecution of a public contract authorized by the public official or by a legislative body, commission, or board of which the public official was a member at the time of authorization, unless the contract was let by competitive bidding to the lowest and best bidder;

EXHIBIT "A"

(4) Have an interest in the profits or benefits of a public contract entered into by or for the use of the political subdivision or governmental agency or instrumentality with which the public official is connected;

(5) Have an interest in the profits or benefits of a public contract that is not let by competitive bidding if required by law and that involves more than one hundred fifty dollars.

Any public contract in which a public official, a member of the public official's family, or any of the public official's business associates has an interest in violation of R.C. §2921.42 is void and unenforceable.

For purposes of R.C. §2921.42, the term "public official" includes "any elected or appointed officer, or employee, or agent of the state or any political subdivision, whether in a temporary or permanent capacity," and the term "public contract" is defined as including any of the following:

(a) The purchase or acquisition, or a contract for the purchase or acquisition, of property or services by or for the use of the state, any of its political subdivisions, or any agency or instrumentality of either, including the employment of an individual by the state, any of its political subdivisions, or any agency or instrumentality of either;

(b) A contract for the design, construction, alteration, repair, or maintenance of any public property.

For purposes these statutes, the Ohio Ethics Commission has defined "family member" as including a public official's or an employee's:

- a. grandparents;
- b. parents;
- c. spouse;
- d. children, whether dependent or not;
- e. grandchildren;
- f. brothers and sisters; and
- g. any other person related by blood or marriage to and residing in the same household with the employee.

The Ohio Ethics Commission has also stated that, for purposes of R.C. §2921.42, "parties who act together to pursue a common business purpose, or who conduct a common business enterprise, are 'business associates.'" Advisory Opinion No. 90-008, *citing* Advisory Opinion No. 86-002. The Ethics Commission has stated that the term "business associate" includes an employer- employee relationship so that a public official may not vote authorize or use the influence of his/her position to secure authorization of a public contract in which the official's employer has an interest.

In order to assure the public that each member of the District's Board of Trustee's has complied with the foregoing prohibitions and has exercised his/her discretion on matters coming before the Board in the best interests of the District rather than any personal interest and to provide a sufficient basis on which the financial records of the District may be audited, the undersigned, as member of the Board of Trustees of the Southwest Regional Water District hereby represents that:

1. He/She is aware of and has reviewed the prohibitions prescribed by Ohio law relative to conflicts of interest as described above;

EXHIBIT "A"

2. The following are the relationships, transactions, positions, etc. which he/she holds (volunteer or otherwise), or circumstances that he/she believes could contribute to a conflict of interest between the District and his/her personal interests, financial or otherwise:

3. He/She understands that it is his/her personal responsibility to be sufficiently informed of the content of, and the persons/entities involved or interested in, the matters coming before the Board of Trustees so that he/she may refrain from participating in, voting on or using the influence of his/her office regarding any matter which may create a prohibited conflict of interest; and
4. To the best of his/her knowledge, he/she has not, within the prior calendar year, participated in, voted on or used the influence of his/her office regarding any matter which came before the Board, or involved the District in any material way, and in which he/she had a prohibited interest or involvement.

Date

Trustee