



BYLAWS OF THE STANISLAUS REGIONAL WATER AUTHORITY

ARTICLE I

AUTHORITY

The Joint Exercise of Powers Agreement, originally entered into on September 27, 2011 and amended on November 20, 2015, December 15, 2015, and July 1, 2018, provides that the Governing Board may, from time to time, adopt such bylaws and regulations for the conduct of its meetings as are necessary for the purposes herein. The capitalized terms used in these Bylaws shall have the same meaning as defined in the Agreement, unless otherwise expressly provided herein.

ARTICLE II

PURPOSE AND OBJECTIVES

The Cities of Ceres and Turlock (Participants) are interested in developing and implementing surface water supply options and facilities to serve municipal and industrial water to the customers within their service areas. Each of the cities is authorized to develop, obtain, and serve a municipal and industrial water supply, pursuant to California law. The Participants are working with the Turlock Irrigation District (TID) to develop a Regional Surface Water Supply Project (Project) that will provide a safe and reliable high quality surface water supply for the long-term drinking water needs of each participating city. The Participants have formed a Joint Powers Authority for the purpose of making responsible decisions related to the development and operation of the future RSWSP.

The Authority has the following objectives to accomplish this purpose:

1. Plan and develop the implementation of surface water supplies;
2. Function as the community focal point for all grant/aid applications related to the project;
3. Develop a support and operations and maintenance staff;

4. Develop the procedures for establishing and conducting the Authority's coordination functions;
5. Design, construct, finance, own, and operate the Project facilities;
6. Provide treated water At Cost and on the same terms and on an equitable basis to the Participants; and
7. Finance the Project design and construction costs through low-interest loans from the federal or state government, the sale of Certificates of Participation, the issuance of Bonds, or such other method as agreed upon by the Participants.

The Authority is established for the purposes listed above and shall exercise all the powers set forth in the Agreement, last amended on July 1, 2018.

ARTICLE III

POWERS

The Authority shall have and shall exercise powers attributable to the City of Turlock, except as herein prohibited and otherwise prohibited by law. The Authority is hereby authorized, in its own name acting through the Governing Board, to do all acts necessary or convenient for the exercise of its power to accomplish its objectives, including, but not limited to:

1. Employ and retain agents, consultants, advisors, independent contractors, and employees;
2. Make and enter into contracts;
3. Acquire, hold, and convey real and personal property;
4. Incur debts, obligations, and liabilities;
5. Accept contributions, grants, or loans from any public or private agency or individual, or the United States or state of California, or any department, instrumentality, or agency thereof for the purpose of financing and funding its activities;
6. Invest money that is not needed for immediate necessities, as the Governing Board determines advisable, in the same manner and upon the same conditions as other local entities in accordance with Section 53601 of the Government Code;
7. Reimburse Directors for reasonable and necessary expenses incurred in performing the duties of their office;
8. Reimburse Participants for the direct costs incurred in the formation of the Authority.

9. Sue and be sued in its own name, all as provided in Section 6508 of the Act, as well as the power of eminent domain;
10. Exercise any other powers as authorized by the Agreement;
11. Do all other acts reasonable and necessary to carry out the purpose of this Agreement;
12. Acquire, construct, manage, maintain or operate any building, works or Capital improvements related to the Project; and
13. Levy and collect revenue and funding as authorized by the Agreement and applicable law.

Such powers shall be exercised in the manner provided by the Act and except as expressly set forth herein, subject only to the restriction of exercising its powers, imposed upon the City of Turlock in the exercise of similar powers. Notwithstanding the generality of the foregoing, and except as expressly authorized by this agreement including, but not limited to, Article VII, IX and XV, the Authority shall have no power to bind any of the Participants to any monetary obligation whatsoever other than expressly authorized by the mutual written consent of the Participants. The Authority shall be strictly accountable for all funds received, held, and disbursed by it.

ARTICLE IV

GOVERNING BOARD OF DIRECTORS

The Authority shall be administered by a Governing Board as provided by the Agreement and these Bylaws.

1. The Governing Board shall consist of four Directors, with two appointed by each Participant. Each Director shall be entitled to one vote. Each Participant shall appoint two representatives to serve as Directors and one alternate Director. Each representative and alternate must be a city council member of the appointing Participant. An alternate Director shall have the authority to act in the absence or unavailability of a Director or in the event that a Director has a conflict of interest that precludes participation by the Director in a particular matter.
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3. Each Director shall have one vote which shall be equal in weight to the vote of each other Director.
4. Termination of a Director's status as a Councilmember shall constitute automatic termination of the person's directorship on the Governing Board.

5. The Board shall have an Ex-officio Director from Stanislaus County Board of Supervisors, or other agencies, as deemed necessary from time to time. Each Ex-officio Director shall serve in a non-voting, advisory capacity.
6. The Board shall select a Chair and Vice Chair. The Chair shall preside at all Board meetings, and the Vice Chair shall act in place of the Chair when the Chair is absent.
7. The Board shall appoint a General Manager, a Secretary, and other officers as determined necessary by the Board, and they shall serve at the pleasure of the Board.

ARTICLE V

MEETINGS OF THE BOARD

1. The Governing Board shall hold at least one (1) regular meeting each calendar quarter, or as often as the Board deems appropriate to conduct Authority business.
2. The meetings shall be scheduled and conducted pursuant to the provisions of the Ralph M. Brown Act (Government Code Section 54950, et seq.) .
3. The regular meetings of the Board will be held on the third Thursday of the month, at 3:30 p.m., at one of the designated City offices listed below, as set forth in the meeting notice/agenda:
 - a. City of Turlock, City Hall, 156 South Broadway, 2nd Floor, Yosemite Room
 - b. City of Ceres, Community Center, 2701 4th Street, Upstairs Classroom
4. A majority vote of the full Governing Board (i.e., at least three affirmative votes) shall be required for the approval of any action taken by the Board, unless otherwise stated in the Agreement.
5. The General Manager, in consultation with the Chair, shall be responsible for preparing and posting the regular meeting agenda and special meeting notice/agenda for Governing Board meetings. Any Director may request the General Manager to place an item for discussion or action on the agenda. In order to allow sufficient time to prepare the agenda and back-up materials, the deadline for adding items to the agenda for a regular meeting generally shall be five business days preceding the Governing Board meeting date.
6. Rules of Order. Governing Board meetings shall be governed by Robert's Rules of Order.

ARTICLE VI

OFFICERS

1. The Chair of the Board shall be elected annually by the Board. The Chair shall:

- a. Coordinate the work of officers and committees of the Authority in order that the Authority's purposes are promoted;
 - b. Preside at all Governing Board meetings;
 - c. From time to time, the Chair may appoint ad hoc committees to study specific Project or program elements as may be desirable, subject to the approval of the Board;
 - d. Serve as the official spokesperson of the Authority;
 - e. Call special meetings of the Governing Board.
 - f. Perform other duties as assigned by the Board.
2. The Vice Chair shall assist the Chair in performance of duties; perform the duties of the Chair in the absence or inability of that officer to act; and other duties assigned by the Board.
3. The General Manager will be in charge of the day-to-day operations of the Project, including but not limited to, operations, maintenance, budget, and capital projects. The General Manager shall serve at the pleasure of the Board, and shall have the power to hire and discipline employees in accordance with the personnel rules of the Authority. The General Manager shall be the approved signatory on Governing Board authorized or approved agreements and other Authority correspondence and legal documents.
4. The General Counsel shall provide legal advice and services to the Authority. The General Counsel shall be appointed by and shall serve at the pleasure of the Governing Board.
5. The Secretary shall:
 - a. Keep, or cause to be kept, accurate records of the proceedings of all meetings of the Authority, and shall, as soon as possible after each meeting, forward a copy of the minutes to each Director;
 - b. Be responsible to prepare, or cause to be prepared, meeting schedules, notices, resolutions, and agendas;
 - c. Make such records of the proceedings available to the Directors for their approval at each meeting;
 - d. Keep Directors and Participant staffs informed of meeting proceedings and activities of the Authority;
 - e. Conduct all necessary correspondence of the Authority;
 - f. Be responsible for preparing, or causing to be prepared, any annual reports required by law;
 - g. Prepare such notices and reports as may be requested by the Governing Board;
 - h. Prepare, or cause to be prepared, periodic reports on the financial status of the Authority;
 - i. Be responsible for coordinating the annual audited financial statements of the Authority; and

- j. Be responsible for record keeping for the Authority, which will be housed with the current Secretary at his/her City office, until such time as the Authority has its own office and corresponding staff.
6. The Finance Director for the Authority shall be designated by the Governing Board. The Governing Board has designated the City of Turlock Administrative Services Director or designee to serve as the Finance Director. The Finance Director shall:
 - a. Receive, have custody, and disburse Authority funds pursuant to the procedures established by the Authority;
 - b. Within 100 days after the close of each Fiscal Year, give a preliminary written auditor report of all financial activities to the Governing Board, and give a final written auditor report, if available, no later than January of each year for the previous fiscal year;
 - c. Audit and allow or reject claims in lieu of, and with the same effect as, allowance or rejection by the Governing Board in any of the following cases:
 - i. Expenditures authorized by purchase order issued by an officer of the Authority, authorized by the Governing Board to make purchases.
 - ii. Expenditures authorized by contract, resolution, or order of the Governing Board acting within the scope of its authority.
 - d. Be responsible for financial record keeping for the Authority, which will be housed with the current Finance Director at his/her City office, until such time as the Authority has its own office and corresponding staff.
7. The Finance Director also shall serve as the Authority Treasurer. As Treasurer, the Finance Director shall:
 - a. Have custody of all money of the Authority from whatever source in accordance with Section 6505.5 of the Law, and, as such, shall have the powers, duties, and responsibilities specified in such Section 6505.5 of the Act; provided, however, that moneys of the Authority shall be kept separate and apart from, and shall not be commingled with, moneys of the City.
8. The Auditor for the Authority shall be from the same Participant as the Finance Director, as stated in Article XVII of the Agreement, and shall:
 - a. Have the powers, duties, and responsibilities specified in Section 6505.5 of the Act.
 - b. Prepare annual audited financial statements.
9. The General Manager will also act as Purchasing Manager until such time as the Board directs otherwise. The Purchasing Manager will utilize the Policies and Procedures of the City of Turlock as guidelines for securing goods and services for the Authority, with the purchasing limit set at \$25,000 per occurrence, and until such time as the Authority adopts policies and procedures specific to the Authority.

10. The Chair of the Board may appoint a technical advisory committee composed of staff from the various Participants to provide technical guidance and input for Board review and consideration.

ARTICLE VII

CONFLICT OF INTEREST

The Authority shall adopt a Conflict of Interest Code in accordance with the Political Reform Act (commencing with Section 81000 of the Government Code).

ARTICLE VIII

AMENDMENTS TO AND SUSPENSION OF BYLAWS

These Bylaws may be amended, repealed, or altered, in whole or in part, by a majority vote of the Governing Board. The secretary of the Authority shall prepare and distribute any revisions to all Directors. By motion, the Governing Board in its discretion may at any meeting temporarily suspend these Bylaws in whole or in part, so long as the suspension does not violate any state law.