

BY-LAWS
BOARD OF WATER COMMISSIONERS
DETROIT WATER AND SEWERAGE DEPARTMENT

Preamble: The Charter of the City of Detroit creates a Board of Water Commissioners (the “Board”), which has charge of the Water and Sewerage Department. The Commission is comprised of a seven member Board which is appointed by and serves at the pleasure of the Mayor. Under the direction of the Board, the Detroit Water and Sewerage Department (the “Department”), an enterprise agency, supplies water, drainage, and sewerage services to retail customers of the City of Detroit.

ARTICLE I
General Powers and Duties

The Board shall have the authority to:

- exercise broad oversight of the Department, subject to Federal Law, the Constitution of the State of Michigan, State Law, City Charter and City Ordinance, and the Orders identified in Article XVII;
- enter into such contracts, make such purchases of goods and services, obtain financing, and hire, maintain and develop human resources as it shall deem necessary in order to conduct the business of the Department;
- adopt such administrative rules, policies and procedures as shall be necessary to conduct its business;
- periodically establish equitable rates to be paid by the owner or occupant of each property using retail water, drainage, or sewerage services;
- enforce the collection of unpaid rates, charges and fees due for the provision of water supply, sewage disposal and drainage services, including the imposition of a lien on the real property located within the City;
- appoint, with the approval of the Mayor, a Director and a Deputy Director for the department, who shall serve at the pleasure of the Board.

ARTICLE II
Principal Address

The principal address of the Board of Water Commissioners shall be 735 Randolph, Detroit, Michigan 48226.

ARTICLE III
Appointment, Qualifications, Compensation and Tenure

Section 1. The members of the Board shall be appointed by the Mayor of the City of Detroit. The term of membership on the Board is four years or until removed or replaced. Not more than two members’ terms shall expire each year.

Section 2. The Board shall have seven members.

Section 3. A member of the Board must be a citizen of the United States and a resident of the State of Michigan. No member of the Board shall be an official or employee

of the City, or a principal or employee of a contractor of the City. At least six of the seven members of the Board shall have at least seven years' experience in government management, management of an organization, a regulated industry, utilities, customer service, engineering, finance or law. One member of the Board may have at least seven years' experience in community relations or organizing.

Section 4. Members of the Board shall be compensated at a rate of \$10,000.00 per year plus \$250.00 per meeting, not to exceed the amount of \$20,000.00 per fiscal year [except that the Commissioners serving on the Board's standing committees may be compensated in an amount not to exceed \$25,000.00 per fiscal year]. The Board may adjust this compensation with the consent of the Mayor. Members of the Board may be reimbursed for their actual and reasonable expenses incurred as a result of their service on the Board. [NOTE: INCREASED COMPENSATION REQUIRES APPROVAL OF MAYOR]

Section 5. Any vacancy in office shall be filled by the Mayor for the remainder of the un-expired portion of the vacant term.

ARTICLE IV

Officers

Section 1. The officers of the Board shall be the Chair and Vice Chair who shall be elected at the annual meeting of the Board and shall hold office for one year or until their successors are duly elected at the annual meeting.

Section 2. The Board, in its discretion, may appoint additional officers of the Board as deemed necessary and prescribe their duties.

Section 3. The Board may remove any officer upon the affirmative vote of a majority of Commissioners present at a meeting, provided that Commissioners are given at least 7 days' advance notice of the intent to vote on the removal of the officer.

Section 4. In the event any of the offices of the Board become vacant, the Board shall vote to elect a replacement to fill the remainder of the term of office.

Section 5. Any officer may resign from his or her office upon submission of a letter of resignation from the office to the Board Secretary. The Board shall publicly recognize the resignation at its next meeting.

ARTICLE V

Chair

The Chair shall preside at all meetings of the members of the Board when present, at which meetings the Chair shall have a right to vote, and shall perform all the duties commonly incident to the office, and such other duties as these By-Laws shall designate. The Chair shall appoint the members of Board committees in his/her sole discretion, subject to the provisions of these By-Laws. The Chair may sign any deeds, bonds, contracts or other documents that the Board has authorized to be executed, unless otherwise provided by the Board or in the Regional Water Supply System Lease and the Regional Sewage

Disposal System Lease, each dated June 12, 2015 (collectively, the “Leases”), with respect to the Leased Facilities (as such term is defined in the Leases).

ARTICLE VI Vice Chair

The Vice Chair shall perform all duties and exercise all powers of the Chair during the absence or disability of the Chair, and shall perform such other duties and functions as required under these By-Laws or as otherwise assigned by the Board.

ARTICLE VII Staffing

Section 1. The Board shall prescribe the staffing level of the Board, subject to the provisions of these By-Laws. The Board shall have up to three staff members who may be retained on an as-needed basis. One staff member shall be an attorney, one shall have expertise in finance and one shall have expertise in engineering, water operations or wastewater operations. The Board may appoint additional staff members. Appointment of Board staff members shall require five votes of the Board members.

Section 2. The Director may reallocate such Board resources (duties and responsibilities) when, in his or her opinion, a critical need exists, but should he/she do so, he/she shall provide a full report citing the reasons and the steps taken at the next meeting of the Board.

Section 3. The Director shall be the administrative head of the Department under the policy guidance and oversight of the Board and shall have such other duties as the Board may from time to time prescribe. He/She shall keep the Board fully informed at all times as to the status of Department activities.

ARTICLE VIII Board Secretary

Section 1. The Board shall appoint a Board Secretary, who may be a Commissioner or employee of the Department.

Section 2. The Secretary shall prepare and distribute the Board package and meeting agenda.

Section 3. The Secretary shall be present at all meetings of the Board and shall keep an accurate record of the minutes of the proceedings of such meetings. The records shall be open at all reasonable times to the inspection of any Commissioner.

Section 4. The Secretary shall see that all notices are duly given in accordance with the provisions of the By-Laws and/or as required by law.

Section 5. The Board Secretary shall call the roll at each Board meeting and record the names of the Commissioners absent from the meeting. The Board Secretary shall keep a record of all Board roll call votes.

Section 6. The Secretary shall, at the request of any absent member, enter upon the records of any special meeting the approval or disapproval of such member on any action taken at such meeting.

Section 7. The Board Secretary shall keep the minutes of all meetings of the Board. The Board Secretary shall maintain such minutes and make them available in compliance with the Michigan Open Meetings Act, Act 267, Public Acts of Michigan, 1976, as amended (the “Open Meetings Act”).

Section 8. The Board Secretary shall certify and keep a record of all actions taken by the Board, whether by resolution or by ordinance.

Section 9. In the absence of the Board Secretary at any meeting, an acting Secretary may be assigned, who shall perform all duties and functions of the Secretary in his or her absence.

Section 10. The Board Secretary shall keep a record of the address and email address of each Commissioner.

Section 11. The Board Secretary shall perform such other duties and have such other powers as shall be prescribed by the Board, these By-Laws or by law.

ARTICLE IX

Meetings

Section 1. The Board shall hold meetings at least monthly, and shall designate a time and place for such meetings. It shall adopt its own rules of procedure and shall keep records of its proceedings. All records of meetings of the Board shall be public in accordance with the Open Meetings Act.

Section 2. The annual meeting of the Board for the election of officers of the Board and the transaction of other business shall be held during the month of June at the principal office of the Board in Detroit, Michigan, or at such other place and time as the Board may determine. In the event the annual meeting is not held, a special meeting in lieu of the annual meeting may be called in the same manner as provided for special meetings of the Board. At the annual meeting, the Board shall elect officers, appoint a Board Secretary, establish an annual calendar of meetings and transact such other business as may be properly brought before the Board.

Section 3. Regular meetings of the Board shall be held at its principal office in Detroit, Michigan, or at such other place as determined by the Board and listed on the annual calendar of meetings.

Section 4. Special meetings of the Board and any change in the date of a regular meeting may be called for by the Chair, any four Commissioners or the Director of the Department by giving notice of the time and place of such meeting and the object for which it is called, in the manner provided by these By-Laws, the Charter of the City of Detroit and the Open Meetings Act for giving notice of Board meetings, including posting such notice on the Department website.

Section 5. Notice of all meetings of the Board, other than regular meetings, shall be sent by the Board Secretary, or other person authorized to give the same by these By-Laws, by mail or by hand delivery to each Commissioner at his or her address or by electronic mail to an email address provided to the Board Secretary, at least three calendar days prior to the date of the meeting. An affidavit of such mailing or delivery made by the Secretary or other duly authorized person, with a copy of the notice attached, shall be sufficient proof of such notice.

Section 6. At any meeting of the Board, four or more members of the Board present shall constitute a quorum for the transaction of business. A lesser number may adjourn any meeting from time to time and such adjourned meeting, if adjourned for fewer than thirty-six hours, may be held as adjourned without notice.

Section 7. When a quorum is present, a majority of the Commissioners present at such meeting shall decide any question brought before such meeting, unless otherwise provided by law or by these By-Laws. All votes taken by the Board may be done collectively by voice vote, except the following shall be voted on by roll call vote: the establishment of rates, the approval of a contract with a vendor resulting from an unsolicited proposal, the approval of the capital improvement plan, the approval of contracts for Board staff members, votes to go into closed session to the extent required by the Open Meetings Act, the approval of the issuance of bonds or other securities by the Department, the election of Board officers and any other matters required by law or rules of procedure that require a roll call vote.

Section 8. Five votes shall be required to approve rates, a contract with a vendor resulting from an unsolicited proposal, the capital improvement program and contracts for Board staff members.

Section 9. Notwithstanding the notice requirements, the Board may meet in emergency session as permitted under the Open Meetings Act.

Section 10. The Board may hold closed or executive sessions to the extent permitted by the Open Meetings Act. A vote to go into closed session shall be conducted in compliance with the Open Meetings Act.

Section 11. A Commissioner shall use his or her best efforts to notify the Board Secretary in advance if he/she will not be able to attend any regular or special meeting of the Board.

Section 12. Any action required or permitted to be taken by the Board, except those matters that require a roll call vote, may be taken by placing the item on a consent agenda for a specific meeting. Any proposed item for the consent agenda must be provided to each Commissioner at least seven (7) calendar days prior to the meeting in which the proposed consent items are to be considered.

ARTICLE X

Committees

Section 1. The Board shall establish such permanent or ad hoc committees as it may deem necessary or convenient for the purposes of conducting Board business.

Section 2. The Board hereby establishes the Finance Committee as a standing committee of the Board. The Finance Committee shall consist of no fewer than 3 members, at least 1 of whom shall have experience in management, finance, and utilities or engineering. Additional members may be appointed at the discretion of the Board. The Finance Committee shall establish a regular meeting schedule that will enable the Finance Committee to support and provide sufficient oversight of the Department in the development and implementation of the Department's Annual Budget and annual audit. The Chief Financial Officer of the Department shall attend all meetings of the Finance Committee and shall regularly report on the Department's adherence to its annual budget.

Section 3. The Board hereby establishes the Capital Improvement Plan Committee as a standing committee of the Board. The Capital Improvement Plan Committee shall consist of no fewer than 3 members, at least 1 of whom shall have experience in finance, utilities and engineering. Additional members may be appointed at the discretion of the Board. The Capital Improvement Plan Committee shall establish a regular meeting schedule that will enable the Capital Improvement Plan Committee to support and provide sufficient oversight of the Department in the development and implementation of the Department's Capital Improvement Plan. The Deputy Director and Chief Engineer of the Department shall attend all meetings of the Capital Improvement Plan Committee and shall regularly report on the Department's adherence to its capital improvement plan.

Section 4. The Board hereby establishes the Customer Service Committee as a standing committee of the Board. The Customer Service Committee shall consist of no fewer than 3 members, at least 1 of whom shall have experience in [customer service, and management of an organization]. Additional members may be appointed at the discretion of the Board. The Customer Service Committee shall establish a regular meeting schedule that will enable the Customer Service Committee to support and provide sufficient oversight of the Department's relationship with retail customers. The Chief Operating Officer of the Department shall attend all meetings of the Customer Service Committee and shall regularly report on customer service metrics as required by the [Board or Customer Service Committee].

Section 5. The Board hereby establishes the Human Resources Committee as a standing committee of the Board. The Human Resources Committee shall consist of no fewer than 3 members, at least 1 of whom shall have experience in [government management and management of an organization]. Additional members may be appointed at the discretion of the Board. The Human Resources Committee shall establish a regular meeting schedule that will enable the Human Resources Committee to support and provide sufficient oversight of the Department in the management of the human capital of the Department, including both represented and exempt employees. The Human Resources Director of the Department shall attend all meetings of the Human Resources Committee and shall regularly report on human services metrics as required by the [Board or Human Resources Committee].

ARTICLE XI
Records and Reports

Section 1. In conjunction with the external, independent auditors for the City, the Board shall annually prepare a detailed Annual Department Report, consisting of a full and detailed examination of the books and financial affairs of the Department and the methods employed in conducting its business affairs.

Section 2. The Board shall file the Annual Department Report with the City and shall maintain sufficient copies of such report for distribution to any interested person. The Annual Department Report shall be included in the City's Annual Comprehensive Annual Report.

ARTICLE XII
Ethics and Conflicts of Interest

Section 1. The provisions of this Article are intended to be consistent with and exceed the requirements of the City Charter, City Ordinance and applicable State Law.

Section 2. No Commissioner nor the Director, Deputy Director and Chief Engineer, General Counsel, Chief Financial Officer, [Human Resources Director] of the Department or any employee of the Department who may influence a decision (each, a "Disclosing Individual") shall take any action or fail to take any action to assist or exert any influence on a potential business relationship or transaction between the Department and an individual or business entity with a Prohibited Relationship to the Disclosing Individual (a "Conflict"). A Prohibited Relationship means a relationship between the Disclosing Individual and (i) an individual of the first, second or third degree of consanguinity, a father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law or daughter-in-law, or an individual who co-habitates (a "Related Person") with the Disclosing Individual, (ii) a business entity in which the Disclosing Individual or a Related Person has a 5% or greater ownership interest, and (iii) any other relationship with any individual or business entity in which the Disclosing Individual would personally profit from the business relationship or transaction with the Department.

A Disclosing Individual shall make full disclosure in writing to the Board of any actual or potential Conflict immediately upon its discovery and, such disclosure shall include a written statement by the Disclosing Individual certifying that he/she will not take any action or fail to take any action to influence the Conflict. Such disclosure shall identify the individual or business entity that does or is seeking to do business with the Department, the nature of the relationship the Disclosing Individual has with such individual or business entity, and the circumstances that give rise to the Conflict. The obligation to disclose a Conflict is a continuing obligation for each Disclosing Individual, who shall disclose the existence of any Conflict at any time he or she becomes aware of it.

Section 3. No Commissioner or Department employee shall seek to influence the hiring or promotion of any Related Person by the Department. No employee of the Department shall manage, evaluate, or approve any time sheet, application, or payroll record of a Related Person.

Section 4. Commissioners and Department employees are prohibited from receiving gifts of substantial economic value from vendors, salespersons, or other such representatives which actually, or could be viewed as, improperly influencing the Department, the Commissioner or the Department employee in the official performance of his/her duties.

Article XIII Amendments

Section 1. These By-Laws may be amended or repealed at any meeting of the Board by a vote of at least four Commissioners, provided that Commissioners are given at least 7 days' advance notice of the intent to amend or repeal the By-Laws.

Section 2. No such amendment or repeal shall be approved until it has been read at two separate meetings of the Board.

Article XIV Governance

The Board shall be governed by the Charter of the City of Detroit (subject to the Orders referenced in Article XVIII of these By-Laws), applicable laws, these By-Laws and any such rules that are developed by the Board. The rules of parliamentary procedure comprised in the then current version of 'Robert's Rules of Order Newly Revised', by Henry M. Robert III, shall also govern the Board in all cases where the rules of the Board of Water Commissioners are not applicable.

Article XV Indemnification

The Department shall indemnify and hold harmless any Commissioner, executive or employee of the Department from all costs, expenses and liabilities incurred by him or her which arises out of their status as a Commissioner or employee for any actions taken within the scope of their authority, except for willful misconduct and for any liability related to professional negligence or malpractice.

ARTICLE XVI Public Participation at Board Meetings

Section 1. There shall be a public comment period at each meeting of the Board. The public comment period shall be at the start of the meeting unless the Board designates another time.

Section 2. During the public comment period any person attending the meeting may address the Board on any matter within the Board's jurisdiction. Speakers shall not address matters not related to the Department.

Section 3. Speakers shall identify themselves to the Board. Each speaker shall be limited to three minutes, unless the Chair permits a longer statement.

Section 4. Speakers shall not make personal attacks on other persons. The Chair may stop speakers from making personal attacks and may terminate such attacks.

Section 5. The Board may order the expulsion from the meeting of a person who commits a breach of the peace at the meeting.

Section 6. Any person may submit a written statement in addition to or in place of a verbal statement.

Section 7. If a group or organization wishes to make a statement, the Chair may request that the group or organization designate a spokesperson to speak on behalf of the group or organization.

Section 8. No debate shall occur during public comment. Neither the Board nor any Commissioner shall respond to a comment made or question asked during public comment.

ARTICLE XVII

Federal Court Orders

The Department was previously under the jurisdiction of the United States District Court for the Eastern District of Michigan, Case No. 77-77100, United States v City of Detroit *et al.*

While the Department remains subject to the Administrative Consent Order and certain Orders or portions of Orders of the Court, the following provisions continue to apply to the Board:

- Order, Docket No. 2572, 12/15/15, with respect to the appointment, powers and composition of the Board.
- Opinion & Order, Docket No. 2512, 12/14/12, with respect to the delegation by the Board of its procurement approval authority, the amendment of the Department procurement policy and the Board's approval of the issuance of debt by the Department.
- Order, Docket No. 2410, 11/4/11, with respect to the establishment of the Department procurement policy, including the approval authority of the Board, the approval of certain documents by the Department Director, and the recruitment, hiring and dismissal of the Department Director.
- Stipulated Order, Docket No. 2334, 2/11/11 with respect to the compensation of the Board, Board staff and the number of votes required for the approval of rates and the Department capital improvement plan.

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HISTORY

Adopted by the Board of Water Commissioners on April 23, 1997.

Amended by the Board of Water Commissioners on May 18, 2010 with the addition of Article XVII.

Amended by the Board of Water Commissioners on July 27, 2011 with amendments to Article III, Sections 1, 4 and 5; Article VII, Sections 1 and 2; Article X, Sections 5, 8, 9 and 10; and the addition of Article XVIII.

Amended by the Board of Water Commissioners on June 15, 2016 with amendments to the Preamble; Article I; Article III, Sections 1, 3, 4 and 5; Article IV, Sections 2, 3, 4 and 5; Article V; Article VI; Article VII, Sections 1 and 3; Article VIII, Sections 1, 5, 7, 8, 9 and 10; deleting the previous Article IX and renumbering all subsequent Articles; amending the new Article IX; amending the new Article X; amending the new Article XI; amending the new Article XII; amending the new Article XIII; amending the new Article XIV; amending the new Article XV; amending the new Article XVI, Sections 5 and 8; and amending the new Article XVII.