

# ONSIOW WATER AND SEWER AUTHORITY

## BYLAWS

### ARTICLE I

#### NAME, SEAL AND OFFICES

1. NAME: The name of this Authority is the Onslow Water and Sewer Authority organized under North Carolina General Statute 162A-3.
2. SEAL: The corporate or official seal of the Authority shall consist of two concentric circles inside of which is inscribed the name of the Authority and in the center of which shall be the date 2000 and the words "official seal."
3. OFFICES: The principal office of the Authority shall be on 232 Georgetown Road, Jacksonville, North Carolina; but the Authority may also have offices located at such other places as the Directors of the Authority may from time to time designate or as the purposes and objectives of the Authority may require or find convenient.

### ARTICLE II

#### APPOINTMENT-TENURE, RESIGNATION, AND REPLACEMENT OF MEMBERS OR DIRECTORS

##### 1. MEMBERSHIP

- A. There shall be eight (8) voting members of the Authority. Of the voting members, two (2) shall be appointed by the Board of Commissioners of the County of Onslow, two (2) appointed by the City Council of the City of Jacksonville, one (1) appointed by the Board of Commissioners of the Town of Swansboro, one (1) appointed by the Board of Aldermen of the Town of Richlands, one (1) appointed by the Board of Aldermen of the town of North Topsail Beach, one (1) appointed by the Town Council of the Town of Holly Ridge. Only elected officials of the governing bodies of member political subdivisions may be appointed to the Board of Directors of the Onslow Water and Sewer Authority.
  - B. Each appointee to the membership of the Authority shall be known as a Director of the Authority; and when the term "member" is used, it shall mean Director.
  - C. Directors shall be appointed for the respective terms as specified by G.S. 162A-5 of the "North Carolina Water and Sewer Authorities Act"; and may be removed, with or without cause, by the governing body appointing said member, as provided by G.S. 162A-5.
2. RESIGNATION – Any Director may resign from membership of the Authority at any time by giving written notice of such resignation to the Authority and to the

Mayor or Chairman of the Board, respectively, of the, political subdivision by which he or she was appointed.

3. VACANCIES – Any vacancy in membership on the Authority shall be filled for the unexpired term by the political subdivision, which made the original appointment.
4. OATH OF OFFICE – Each Director of the Authority before entering upon his or her duties as a member thereof shall take and subscribe an oath or affirmation to support the Constitution of the United States and of this State and to discharge faithfully the duties of his or her office, and a record of each such oath shall be filed with Secretary of the Authority and kept among its official documents.

### ARTICLE III MEETINGS

1. \*ANNUAL MEETINGS – Annual meetings of the Directors shall be held on a day in January of each year at the hour and place designated in the notice of same. Written notice of the time and place of annual meetings shall be given by the Secretary or Executive Director by mailing such notice to each Director at his or her regular residential address not less than twenty (20) days prior to date of such meeting.
2. REGULAR MEETINGS – The Directors may establish by resolution a schedule of regular meetings to be held from time to time between the Annual Meetings. Notice of such regularly scheduled meetings shall be required to be given the Directors, and the regular business of the Authority may be transacted at such meetings, provided a quorum is in attendance.
3. SPECIAL MEETINGS – Special meetings of the Directors may be called by official action of the Authority (by formal resolution or adoption of motion to do so), or by the Chair or Vice Chair, or upon the written request of a least three (3) Directors.
4. NOTICE OF MEETING – Notice of each meeting shall be given in accordance with the requirements of Section 143-318.12 of the General Statutes of North Carolina, as amended, as well as the requirements of this Article set forth above.
5. QUORUM – A majority of the membership of the Authority shall constitute a quorum, and the affirmative vote of a majority of all of the Directors of the Authority which are present shall be necessary for any action taken by the Authority.

No vacancy in the membership of the Authority shall impair the right of a quorum to exercise all the rights and perform all of the duties of the Authority. Unfilled vacancies shall not be used to establish the absence of a quorum.

6. MEETINGS TO BE OPEN TO THE PUBLIC – Subject only to lawfully recognized exceptions, all official meetings of the Directors, included Committee Meetings, shall be conducted openly and in compliance with North Carolina General Statutes Section 143-318.1, et seq.

\*Article III – Annual Meetings – was amended at the April 25, 2002 meeting of the Onslow Water and Sewer Authority. The original Bylaws stated that the Annual Meeting shall be held at the "regular meeting in October".

Petitions and requests from the public are asked to be submitted in writing and placed on the agenda for the official meeting of the Directors.

The Directors encourage public attendance at all meetings. Only such discussion or participation by visiting persons as is invited by consent of the Directors shall be permitted at times other than when petitions and requests are being heard.

7. DUTY TO VOTE – No Director shall be excused from voting, except on matters involving consideration of his or her own official conduct, or where his or her financial or personal interests are involved.
8. PROCEDURES – The board of Directors may adopt from time to time such procedures as it may determine to be necessary and convenient to govern the conduct of its meetings.

#### ARTICLE IV OFFICERS

1. DESIGNATION – The Officers of the Authority shall be the Chair, a Vice Chair, a Secretary/Treasurer, and such other officers and assistant officers, with such powers and duties not inconsistent with these bylaws or applicable law, as may be elected and determined by the Authority in accordance with the law. The Chair and Vice Chair shall not be of the same jurisdiction.
2. ELECTION AND TERMS – The officers provided for in Section I of this Article shall be elected at each annual meeting of the directors, and shall hold office until the next annual meeting or until their successors are elected and qualified. Each officer shall serve a term of one (1) year.
3. OFFICER SUCCEEDING SELF – Any officer may be elected by the Directors to succeed himself or herself in office, for no more than five (5) successive terms within the same office.
4. CHAIR – The Chair shall preside at all meetings of the Directors and shall have and exercise such authority and do and perform such other duties as may be assigned by a majority of the Board of Directors.
5. VICE CHAIR – At the request of the Chair, or in the event of the absence or disability of the Chair, the Vice Chair shall perform the duties and possess and exercise the powers of the Chair; and to the extent authorized by law the Vice Chair shall have such other powers as the Directors may determine, and shall perform such other duties as may be assigned to him or her by a majority of the Board of Directors.
6. SECRETARY/TREASURER – The Secretary/Treasurer shall perform such duties as directed by a majority of the Board of Directors.
7. REMOVAL FROM OFFICE

A. GROUND – Any officer provided for in Section I of this Article who is also a Director of the Authority may be removed from such office (but not from membership on the Authority) by the Directors for the following reasons:

1. for mental or physical incapacity to properly and adequately perform the duties and functions of the office; or
2. for repeated absences from meetings of the Authority or from the offices of the Authority or meetings of committees to the extent that such absences constitute gross neglect in the performance of the duties of the office to the inconvenience, damages, or disadvantage of the Authority in carrying on its functions and purposes; or
3. for any act of dishonesty or illegal act; or
4. for any act or series of acts or omissions which are contrary to the best interests of the Authority and tend to impede or obstruct the carrying on of its functions and purposes in an orderly manner; or
5. for any other cause which is deemed less than reasonably satisfactory performance of the duties and functions of such office.

B. PROCEDURES – In the event the Directors for any reason requests the resignation of an officer to which this Section 8-A. Herein above applies, and such request is declined, it may by resolution of a majority affirmative vote of its Directors adopt a statement of grounds upon which it claims such officer should be removed from office, and such written statement of grounds shall be served upon such officer at least ten (10) days prior to the meeting at which action is to be taken thereon. The officer is entitled to be present at such hearing and be heard if he or she so desires, and is also entitled to offer such evidence as he or she may deem appropriate in response to the statement served upon such officer. The decision of the majority of Directors in said matter shall be final.

## ARTICLE V PERSONNEL

1. GENERAL - The Directors may employ such personnel as may be required to conduct and perform the duties and services which may be necessary or convenient in carrying out the objectives and purposes for which this Authority was created; define their duties and functions; set their terms of employment, compensation, fringe benefits, separation from service, and other pertinent details.
2. EXECUTIVE DIRECTOR – The Directors may employ an Executive Director, who shall be its Chief Administrative Officer. Such Executive Director shall be

responsible for the efficient administration and carrying out of the operations of the Authority, and shall carry out the policies and directives of the Directors. The Executive Director shall attend all official meetings of the Directors, and all committee meetings when requested, shall be entitled to notice of all special meetings, and shall be entitled to take part in discussions of matters before the Directors, but shall have no vote. He or she has responsibility for obtaining and furnishing to the Directors financial and other reports as may be required by the Directors, and he or she shall recommend to the Directors from time to time such measures as he or she shall deem necessary or advisable, and shall furnish the Directors with necessary information respecting any of the departments or divisions of the Authority under his or her direction and control. The Executive Director shall be responsible for the preparation and submission to the Directors the proposed annual budget, and shall keep the Directors informed as to the financial needs and condition of the Authority. He or she shall perform such other duties as may be required by the Directors.

3. PROFESSIONAL ASSISTANTS – The Directors, following consultation with the Executive Director, may employ such assistant directors, managers, accountants, engineers, legal counsel, and experts as it may determine in its discretion to be necessary or advisable, and fix the terms of such employment.

#### ARTICLE VI

##### COMPENSATION: EXPENSES

1. COMPENSATION OF DIRECTORS – For their services as such, the Directors shall not receive compensation as the Directors.
2. EXPENSES – Directors shall be entitled to reimbursement for the amount of actual expenses incurred by them in the performance of their duties. The Directors may make policies concerning such reimbursement.
3. COMPENSATION OF PERSONS OTHER THAN DIRECTORS – The Executive Director, officers, attorney, agents, and employees of the Authority shall receive such compensation and expense reimbursement as the Directors may approve by resolution or otherwise adopted. All such compensation shall be in accordance with a formally adopted pay and classification system.

#### ARTICLE VII

##### ANNUAL AND OTHER REPORTS

1. ANNUAL REPORT – At each Annual Meeting the Directors shall receive from the Treasurer, Finance Officer, Executive Director or other person who has been charged with such responsibility, a full and accurate report of the operations of the Authority during the preceding fiscal year, the assets and liabilities of the Authority as of the end of such fiscal year, investments, if any, the financial condition of the Authority as of the end of such fiscal year, and any and all other information which may have significant bearing upon the condition and operation of the Authority. Such report shall include such additional matters as may be

directed by the Directors, and shall be filed with the minutes and be open to the inspection of the public and of any political subdivision.

2. REPORTS OTHER THAN ANNUAL – The Board of Directors may require financial and other reports filed with it on a monthly, quarterly, or other basis, at its discretion, and may direct that reports contain information in such detail as it deems appropriate.

#### ARTICLE VIII

##### CONFLICT OF INTEREST: DUTY TO MAKE DISCLOSURE

No Director, officer, or employee of the Authority shall have any personal or pecuniary interest direct or indirect in any contract or proposed contract or purchase order for materials, services, equipment, or property of any kind to be furnished to or used by the Authority. If any such Director, officer, or employee owns or controls an interest direct or indirect in any such materials, services, equipment, or property included or proposed to be furnished to or acquired by the Authority, he or she shall immediately disclose the same in writing to the Authority and such disclosure shall be entered upon the minutes of the Authority. Failure to so disclose such interest shall constitute misconduct in office or in employment.

#### ARTICLE IX

##### CONTRACTS

The Directors may, except as in these Bylaws or law otherwise provided, authorize any officer or the Executive Director to enter into any contract or execute and deliver any written instrument in the name of and on behalf of the Authority, and such grant of authority may be general or confined to a specific instance; and unless so authorized by the Directors, no officer, agent or employee shall have any power or authority to bind the Authority by any contract or engagement, or to pledge its credit, or to render it liable pecuniary for any purpose or in any amount.

#### ARTICLE X

##### ADVISORY COUNCIL

1. AUTHORITY – The Board of Directors may appoint an Advisory Council, as it deems appropriate.
2. PURPOSE – The purpose of the Advisory Council shall be to provide the Directors of the Authority with professional advice and recommendations on the business and operations of the Authority.
3. MEMBERSHIP – The membership of the Advisory Council shall be determined by the discretion of the Board of Directors.
4. TERM AND SUCCESSION – The term and succession of the Advisory Council shall be by the discretion of the Board of Directors.

ARTICLE XI  
FISCAL YEAR

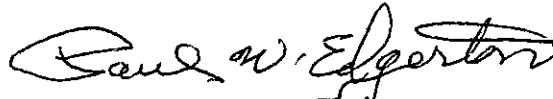
The fiscal year of the Authority shall begin on July 1 and end on the following June 30.

ARTICLE XII  
AMENDMENTS

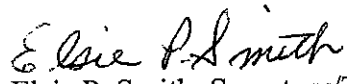
The Directors shall have the power to alter, amend, and repeal the Bylaws; provided, however, that such action shall be taken only after sixty (60) days written notice of the text of such proposed amendment(s) is given to each Director and each Director's appointing political subdivision. Furthermore, and proposed amendment may only be adopted by the Directors following a public hearing, notice of which is given at least ten (10) days in advance of the date set for such hearing in a paper having general circulation within the jurisdiction of the Authority. No action shall be taken to amend these Bylaws without an affirmative vote of a majority of the full membership of the Board of Directors taken in a regular meeting of the Board, each jurisdiction having one vote per Director appointed by that jurisdiction.

ADOPTED as amended this 25<sup>th</sup> day of January 2001.


ONslow WATER AND SEWER  
AUTHORITY

  
Paul W. Edgerton, Chairman

ATTEST:

  
Elsie P. Smith, Secretary/Treasurer

I certify that to the best of my knowledge  
this is a "true" copy of the Onslow Water and  
Sewer Authority Bylaws.

 20 Sept. 2001

My Commission Expires August 15, 2003