

**BYLAWS
GULL LAKE SEWER AND WATER AUTHORITY**

**ARTICLE I
PURPOSE AND OBJECTIVES**

Section 1. *Purpose.* The Gull Lake Sewer and Water Authority (“GLSWA” or “Authority”) was created under the provisions of Act 233, Public Acts of Michigan, 1955, as amended. The authority adopted Articles of Incorporation in October 1979, which were amended in March 2018, June 2020, and February 2022 (“Articles”). The Authority operates under the direction of its five constituent municipalities and has a principal office located at 7722 N 37th Street, Richland, MI 49083. The purpose of the Authority is as stated in its Articles.

Section 2. *Conflict.* These Bylaws are intended to be consistent with the Articles. If and only to the limited extent there is any conflict between these Bylaws and the Articles, the Articles shall control.

**ARTICLE II
COMMISSION**

Section 1. *Commission.* The governing body of the Authority is its Commission (“Commission”), which is composed of Commissioners appointed by their legislative bodies within their respective constituent municipalities as described in the Articles.

Section 2. *Term.* Each Commissioner shall serve as prescribed in the Articles.

Section 3. *Conflicts of Interest.* Each Commissioner has a fiduciary obligation to act in the best interests of the Authority. Whenever a Commissioner has any financial or personal interest in any matter coming before the Commission, the affected Commissioner shall a) fully disclose to every other voting member of the Commission the nature of the interest; and b) if appropriate withdraw from discussion, lobbying, and voting on the matter. Any transaction or vote involving a conflict of interest for a Commissioner shall be approved only when a majority of disinterested Commissioners determine that it is in the best interest

of the Authority to do so. It shall not be considered to be a conflict of interest if a Commissioner is a customer of the Authority and is voting on general matters before the Authority that affect all customers. The minutes of meetings at which such votes are taken shall record such disclosure, abstention, and rationale for approval.

ARTICLE III OFFICERS

Section 1. *Officers.* In accordance with the Articles, the Commission shall annually elect a Chairperson, Vice Chairperson, Secretary, and Treasurer. The Secretary and Treasurer officers can be a joint secretary-treasurer position. The Chairperson and Vice Chairperson must be members of the Commission. The Secretary and Treasurer (or Secretary-Treasurer) are not required to be members of the Commission.

Section 2. *Duties and Powers of Chairperson.* The Chairperson shall be the presiding officer of the Commission. The Chairperson has the right to propose motions and to vote on all policies, resolutions, action items, and motions as stated in Robert's Rules of Order. The Chairperson shall also sign, in the name of the Authority, contracts, deeds, mortgages, notes, bonds, and any other documents approved by the Commission. The Chairperson shall perform all other duties as assigned by the Commission.

Section 3. *Duties and Powers of Vice Chairperson.* The Vice Chairperson shall perform the duties of the Chairperson in the absence or incapacity of the Chairperson. The Vice Chairperson shall perform all other duties as assigned by the Commission.

Section 4. *Duties and Powers of Secretary.* The Secretary shall keep accurate record of the minutes of the meetings. The Secretary shall sign all minutes of proceedings and official actions of the Commission as its recording officer. The Secretary shall also call the roll at each Commission meeting and record the names of the Commissioners absent from the meeting. These records shall be open at all reasonable times to the inspection of any Commissioner. The Secretary shall perform all other duties as assigned by the Commission.

Section 5. *Duties and Powers of Treasurer.* The Treasurer shall be custodian of all funds of the Authority and shall sign all checks or other forms of withdrawal with one other officer of the Commission. The Treasurer shall perform all other duties as assigned by the Commission.

Section 6. *Election and Terms.* The officers shall be selected by the Commission at its annual organizational meeting. Each officer shall hold office until the next annual organizational meeting.

Section 7. *Officer Vacancy.* Per the Articles, any vacancy in any office of the Commission shall be filled by the Commission for the unexpired term by a majority vote.

Section 8. *Officer Removal Procedures.* Any officer may be removed from his or her office term for cause by an affirmative majority vote of the remaining Commissioners then serving. For cause for removal shall include, but not be limited to, absence from three consecutive regular meetings of the Commission. Removal of an officer from their office shall not otherwise prevent or limit said Commissioner's participation on the Commission.

ARTICLE IV COMMISSIONER REMOVAL AND VACANCIES

Section 1. *Removal by Constituent Municipality.* As prescribed by the Articles, Commissioners serve at the pleasure of the appointing legislative body. Any Commissioner can be removed at any time by action of the legislative body which such Commissioner represents.

Section 2. *Recommended Removal by Commission.* Any Commissioner may be recommended for removal from his or her position for cause by a unanimous vote of the remaining Commissioners then serving. If this vote occurs, the Commission shall appoint a representative to publicly recommend removal to the constituent municipality at that municipality's next public meeting, detailing the reasons why removal is appropriate. The

constituent municipality may then remove the Commissioner and reappoint a successor following the procedure in the Articles.

Section 3. *Resignation.* Any Commissioner may resign his or her role at any time by providing written notice to the Commission and their constituent municipality. Notice of resignation is effective on receipt.

Section 4. *Vacancy.* Any Commission vacancy shall be filled by the respective constituent municipality for the remainder of the unexpired term in accordance with the Articles.

ARTICLE V MEETINGS

Section 1. *Regular Meetings.* Commission meetings shall be held at least quarterly, at such time and place as shall be prescribed by resolution of the Commission. The Commission shall also hold an annual meeting in the month of January each year or as soon thereafter as the Commission can meet.

Section 2. *Special Meetings.* As indicated in the Articles, special meetings may be called by the Chairperson or by any two (2) Commissioners by serving written notice of the time, place, and meeting purpose thereof upon each Commissioner personally, by leaving it at his or her place of residence, or by electronic notice to the Commissioner. Notice must be given at least eighteen (18) hours prior to the time of such meeting.

Section 3. *Quorum and Voting.* At least a majority of the existing Commissioners constitutes a quorum for any Regular or Special Meeting. A majority vote of the Commissioners present and qualified shall be required for passage of any Commission action. The Commission shall act by motion, resolution, or ordinance.

Section 4. *Meeting Attendance.* If a Commissioner neglects to perform his or her duties by failing to attend three (3) scheduled Regular Meetings of the Commission in a one (1)

year period, and such absence is without valid reason given to the Commission Chairperson, the Commissioner shall be asked to resign from the Commission.

Section 5. *Open Meetings Act.* The Commission shall comply with the requirements of Michigan's Open Meetings Act (Public Act No. 267 of 1976, as amended).

Section 6. *Rules.* All procedural matters not provided for by these Bylaws or the Articles shall be governed by the most recent edition of Robert's Rules of Order not inconsistent with statute.

ARTICLE VI FINANCES

Section 1. *Budget and Fiscal Year.* The Commission shall prepare, adopt, and subsequently forward an annual budget to the legislative bodies of the constituent municipalities that covers that proposed expenditures to be made for the operation of the Authority and for the necessary rates required from customers of each constituent municipality for the next fiscal year beginning on April 1. The budget shall be approved by the Commission prior to the end of each fiscal year (March 31st).

Section 2. *Audits and Financial Reports.* The Authority shall cause an annual audit to be made of its financial transactions by a certified public accountant and shall furnish copies thereof to each constituent municipality.

Section 3. *Taxing Authority.* The Authority shall not have any direct taxing power.

ARTICLE VII BOOKS AND RECORDS

Section 1. *Maintenance of Books and Records.* The officers and Commissioners shall keep and maintain the books, records, and accounts of the Authority's business and affairs along with minutes of the proceedings of its Commission, as the Commission shall deem advisable and as required by the laws of the State of Michigan. Books, records, and minutes

may be kept within the geographical area of the constituent municipalities as the Commission so requires.

Section 2. Reliance on Books and Records. In discharging their duties, a Commissioner or an officer of the Commission, when acting in good faith, may rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by any of the following:

(a) One or more officers, Commissioners, or employees of the Authority, whom the Commissioner or officer reasonably believes to be reliable and competent in the matters presented.

(b) Legal counsel, public accountants, engineers, or other persons as to matters the Commissioner or officer reasonably believes are within the person's professional or expert competence.

A Commissioner or officer is not entitled to rely on the information set forth above if they have knowledge concerning the matter in question that makes reliance otherwise permitted unwarranted.

Section 3. Freedom of Information Act Compliance. The Commission shall keep written records of its proceedings and shall make these records available to the public in a manner that is consistent with the Michigan Freedom of Information Act (Public Act No. 442 of 1976, as amended) and the Articles. The Commission may adopt a policy to implement this subsection of the Bylaws.

ARTICLE VIII
AMENDMENTS

Section 1. *Amendment Process.* These Bylaws may be amended by the Commission by majority vote at any meeting duly held in accordance with these Bylaws, provided that notice of a meeting at which an amendment to these Bylaws is to be acted on shall include notice of the proposed amendment provided at least twenty-four (24) hours in advance of said meeting.

ARTICLE IX
INDEMNIFICATION AND INSURANCE

Section 1. *General.* A Commissioner, officer, or employee of the Authority shall not be subject to personal liability when acting in good faith within the scope of his or her authority or on account of the Authority.

Section 2. *Indemnity.* Unless otherwise specified by contract or other written document, the Authority shall indemnify and defend any Commissioner, officer, member, employee, or agent who was or is a party to or threatened to be made a party to any threatened, pending, or completed action, suit or proceeding by reason of the fact that the person is or was a Authority officer, member, employee, or agent of the Authority, or is or was serving at the request of the Authority, against expenses (including actual and reasonable attorney fees), judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding, (a) if indemnification is permitted under Michigan law, (b) if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Authority, and (c) with respect to any criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interests of the Authority and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 3. *Limitations on Indemnity for Officers and Commissioners.* The right to indemnification under Article IX of these Bylaws shall be a contract right and shall apply to services of a Commissioner or officer as an agent of the Authority as well as in the person's capacity as a Commissioner or officer.

Section 4. *Limitations on Indemnity Overall.* Except as provided in these Bylaws, the Authority shall have no obligations under these Bylaws to indemnify any person in connection with any proceeding, or part thereof, initiated by the person without authorization by the Authority or Commission.

Section 5. *Insurance.* The Authority may purchase and maintain insurance on behalf of any person who is or was a Commissioner, officer, employee, or agent of the Authority, or is or was serving at the request of the Authority as a Commissioner, officer, or agent of the Authority, against any liability asserted against the person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the Authority would have power to indemnify the person against the liability under these Bylaws or the laws of the state of Michigan. For Commissioners and Authority employees, such insurance shall include public officials and employees' liability coverage for errors and omissions with any deductible or retention under such coverage at the expense of the Authority. Provision of insurance coverage shall not be construed to establish entitlement to indemnity in any particular situation. If so agreed by the Commission indemnification may be limited to the amounts of insurance purchased for this purpose.

Section 6. *Governmental Immunity.* Nothing in these Bylaws shall in any way affect any defenses available to the Authority or any Commissioner in the event of a claim, suit, or demand, including, but not limited to, governmental immunity.

ARTICLE X BYLAWS ADOPTION

These Bylaws were adopted by the Commission on June 24,2024.