

**2009**  
**CASCADE WATER ALLIANCE**  
**BYLAWS**

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## **Article I. PURPOSES**

As set forth in the Cascade Water Alliance Interlocal Contract (the “Interlocal Contract”), Cascade is organized in accordance with the Interlocal Cooperation Act (Chapter 39.34 RCW) and the Nonprofit Miscellaneous and Mutual Corporations Act (Chapter 24.06 RCW) as a public body and an instrumentality of its Members, exercising essential governmental functions of its Members by: (1) providing water supply to meet the growing demands of the Members of Cascade serving the region’s urban growth area, and for certain other non-member agencies as determined by Cascade, and to carry out this task in a coordinated, cost-effective and environmentally sensitive manner; (2) developing, owning, maintaining and operating water quality facilities; (3) contracting with the City of Seattle and other regional water suppliers; (4) purchasing and providing water supply, transmission services and other related services; (5) providing conservation programs to ensure the wise and efficient use of resources; (6) carrying out emergency water supply management programs for its members when demands exceed available supply; (7) coordinating and planning cooperatively with other regional water providers and local non-member water utilities to maximize supply availability and minimize system costs; (8) developing a Water Supply Plan addressing the needs of its Members, developing a Watershed Management Plan serving the needs of its Members and Cascade itself, and developing a regional water supply plan with other water providers as Cascade may find convenient or necessary to meet regional, state and federal planning requirements, and to take a leadership role in developing and coordinating those supply plans; (9) sharing costs and risks among Members commensurate with benefits received; and (10) carrying out or furthering other water supply purposes that the Members determine, consistent with the Interlocal Contract.

## **Article II. DEFINITIONS**

All capitalized terms used and not otherwise defined herein shall have the meaning set forth in the Interlocal Contract.

## **Article III. OFFICES**

The principal office and place of Cascade in the State of Washington shall be located at 11400 S.E. 8<sup>th</sup> Street, Suite 440, Bellevue, Washington 98004, or at another such location as determined by the Board. The registered agent is FPS Corporate Services, 1111 Third Avenue, Suite 3400, Seattle, Washington 98101-3299.

## **Article IV. BOARD**

**Section 4.01 General Powers.** The business and affairs of Cascade shall be managed by its Board, which shall be deemed a “Board of Directors” as that term is used in RCW 24.06.125. In addition to its other powers and authority, the Board shall have the full power except as prohibited by the terms of any gift, devise, bequest or other transfer, in its sole discretion, to change the form of any investment and, for that or other purposes of Cascade, to dispose of any property held by Cascade. The Board shall have the right to employ or retain agents to carry out the purposes of Cascade, including but not limited to attorneys, consultants, engineers, contractors and accountants.

**Section 4.02 Composition of Board and Alternates.** The Board of Cascade shall consist of one individual representative Board Member from each Member agency. Each representative shall be deemed a “director” as that term is used in RCW 24.06.130. Board Members shall not have terms, but each Board Member shall serve at the pleasure of the Member agency that the Board Member represents. In order to serve as a Board Member, an individual must be an elected official and must be appointed to serve on the Board by the legislative body of the appointing Member.

Member agencies may designate alternative representatives to the Board (“Alternates”). Alternates also must be elected officials and must be appointed as an alternate to serve on the Board by the legislative body of the appointing Member.

Board Members and Alternates may be removed as set forth in Section 4.04.

**Section 4.03 Tenure.** Unless the Board Member (or Alternate) resigns or is removed in accordance with these Bylaws, each Board Member (or Alternate) shall hold office until replaced by resolution or written motion of the legislative body of the appointing Member. Notwithstanding the foregoing, no Board Member (or Alternate) shall continue in that capacity if he or she is no longer an elected official of the Member whom he or she represents.

**Section 4.04 Resignation; Removal.** A Board Member (or Alternate) may be removed by the Member agency that he or she represents, or a Board Member (or Alternate) may personally resign at any time. Resignation shall be effective upon the Board Member (or Alternate) or the Member agency delivering written notice to the Chair, the Secretary or the Board of Cascade. In addition, after 30 days’ written notice to the Member agency appointing a Board Member (or Alternate), any Board Member (or Alternate) may be removed with cause by 65% Dual Majority Vote of the remaining Board Members, and the individual removed may not be reappointed by the Member agency for one year after the date of removal.

**Section 4.05 Vacancies.** Any vacancy occurring in the Board shall be filled by the appropriate Member agency.

**Section 4.06 Compensation.** Board Members (and Alternates) may be paid actual out-of-pocket expenses, if any, for attendance at meetings of the Board or a committee thereof or conducting other business of Cascade, provided that the expenses are reasonable and such reimbursement has been provided for in the Budget.

## **Article V. OFFICERS**

**Section 5.01 Number.** Cascade shall have a Chair, a Vice-Chair, a Treasurer and a Secretary, each of whom shall be appointed by the Board. The Chair shall serve as and shall be designated the Chair of the Board. Such other Officers as may be deemed necessary or appropriate may be appointed by the Board. Any two or more offices, with the exception of the Chair and Treasurer, may be held by the same person.

**Section 5.02 Appointment and Term of Office.** The Officers of Cascade shall be appointed by the Board at the Annual Meeting in even-numbered years, to serve for two years until the next Annual Meeting in an even-numbered year or until removed by the Board. Each Officer shall hold office until a successor shall have been appointed, except in the event of the termination of an Officer's term in the manner herein provided.

**Section 5.03 Resignation.** Any Officer may resign at any time by delivering written notice to the Chair, the Secretary or the Board, or by giving oral notice at any meeting of the Board. Any such resignation shall take effect at any subsequent time specified therein or if the time is not specified, upon delivery thereof and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 5.04 Removal.** Any Officer appointed by the Board may be removed by the Board upon thirty (30) days written notice, with or without cause. Appointment of an Officer or agent shall not of itself create contract rights in the individual or in the Member or other entity concerned.

**Section 5.05 Chair (President).** The Chair of the Board (who shall be "President" under RCW 24.06.155 and for any required purposes) shall preside at all meetings of the Board, shall serve on and shall Chair the Executive Committee and shall exercise and perform such other powers and duties as may be determined from time to time by Resolution of the Board. In the absence of the Chair, or if there be none, the Vice-Chair shall preside at all meetings of the Board. The Chair shall sign deeds, leases, bonds, contracts or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or the Chief Executive Officer of Cascade or shall be required by law to be otherwise signed or executed. In general, the Chair shall perform all duties incident to office of Chair and such other duties as may be prescribed by Resolution of the Board.

**Section 5.06 Vice-Chair.** The Vice-Chair shall serve on the Executive Committee and shall perform the duties of the Chair in the absence or incapacity of the Chair. When so acting, the Vice-Chair shall have all the powers of and be subject to all the restrictions upon such Officers and shall perform such other duties as from time to time may be assigned by Resolution of the Board.

**Section 5.07 Secretary.** The Secretary shall serve on the Executive Committee and shall keep or cause to be kept, the minutes of the proceedings of the Board and the Executive Committee, shall give notices or cause notice to be given in accordance with the provisions of these Bylaws and as required by law, shall be custodian of the corporate records of Cascade, shall have charge and custody of and be responsible for overseeing maintenance of correct and complete non-financial books and records of Cascade. The Secretary shall perform such other duties as from time to time may be assigned by Resolution of the Board.

**Section 5.08 Treasurer.** The Treasurer shall serve on the Executive Committee and shall serve as Chair of the Finance Committee. The Treasurer shall be responsible for overseeing maintenance of all financial records of Cascade, the development of the annual budget, assuring the appropriate handling of all revenues and expenditures, and shall assist the Board in

preparation of the annual budget. The Treasurer shall oversee maintenance of complete books and records of account for all funds and securities of Cascade, the transfer of receipts for money due and payable to Cascade from any source whatsoever, and the deposit of all such money in the name of Cascade from any source whatsoever, and the deposit of all such money in the name of Cascade in the banks, trust companies or other depositories as shall be selected in accordance with law. The Treasurer may sign with the Chair, deeds, leases, bonds, contracts, or other instruments that shall have been authorized by Resolution of the Board and, in general, shall perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by Resolution of the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board shall determine.

**Section 5.09 Delegation.** In the case of absence or inability to act of any Officer or of any person herein authorized to act in his/her place, the Board may, from time to time, delegate the powers or duties of such Officer to any other Officer or any Board Member or other person whom it may select. The Chair may delegate duties or powers in addition to those listed herein to Officers of Cascade as necessary or appropriate to the conduct of the affairs of Cascade.

**Section 5.10 Vacancies.** Vacancies in any office arising from any cause may be filled by the Board at any annual, regular or special meeting of the Board subject to the notice provisions set forth in Sections 6.01 through 6.04.

**Section 5.11 Indemnification.** Cascade shall indemnify Officers and Board Members (and Alternates) as set forth in the Articles of Incorporation.

## **Article VI. MEETINGS OF THE BOARD**

**Section 6.01 Annual Meetings.** The annual meeting shall be held in February of each year, at such time and place as may be determined by the Board for the transaction of such business as may come before the meeting.

**Section 6.02 Regular Meetings.** Regular meetings of the Board shall be held pursuant to a schedule and at locations established by Resolution of the Board, which shall be held at least quarterly. All such regular meetings will be conducted in conformance with the laws of the State of Washington governing such meetings.

The Chair of the Board, with the concurrence of the Executive Committee, may cancel any meeting with no less than 24 hours notice of cancellation.

**Section 6.03 Special Meeting, Waiver of Notice, Exception.** Special meetings of the Board may be called by the Chair, the Vice-Chair, the Secretary or by the written request of Board Members representing at least 25% of the Members (by number of Members). Not less than twenty-four hours before any special meeting, notice of special meetings of the Board shall be delivered to Board Members in accordance with RCW 24.06.150 or as it may be amended, stating the date, time and place and the business to be transacted at the meeting. The notice must be written or by electronic means. Notice shall also be given to any other persons as may be required by the Open Public Meetings Act (Chapter 42.30 RCW) or other applicable law.

Whenever any notice is required to be given to any Board Member pursuant to applicable law, a waiver thereof in writing signed by the Board Member entitled to notice shall be deemed equivalent to the giving of notice. Any Board Member may waive notice of any meeting at any time. The attendance of a Board Member at a meeting shall constitute a waiver of notice of the meeting except where a Board Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened. Unless otherwise required by law, neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting.

When the meeting is called to deal with an emergency involving injury or damage, or the likelihood of injury or damage, to persons or property, and the time requirements for notice provided for above would be impractical and increase the likelihood of such injury or damage, such required notice may be dispensed with and each member of the Board shall be notified by the best means possible under the circumstances.

**Section 6.04 Notice of Agenda for Annual and Regular Meeting.** Notice requirements for annual and regular meetings are met through the setting of a schedule and locations under Section 6.01 and 6.02 of these Bylaws.

**Section 6.05 Addenda to the Agenda at Annual, Regular or Special Meetings.** Addenda to the Agenda of a annual, regular or a special meeting may be permitted at the commencement of or during such meeting, except that final disposition shall not be taken on addenda to the Agenda of a special meeting unless notice as required by applicable law has been given.

**Section 6.06 Minutes.** The minutes of all annual, regular and special meetings of the Board shall be kept or caused to be kept by staff of Cascade. Such minutes, following approval, shall be open to public inspection in accordance with applicable law.

**Section 6.07 Public Meetings.** Annual, regular and special meetings of the Board as required by applicable law shall be open to the public, except for executive sessions which may be held as permitted by applicable law. Board Members (or Alternates) may appear at any meeting through a telephone or video-conferencing device that permits communications with all other persons at the meeting.

**Section 6.08 Executive Sessions.** During any annual, regular or special meeting of the Board the Board may hold an executive session to discuss matters as permitted in applicable laws of the State of Washington. Minutes need not be kept during executive sessions.

**Section 6.09 Appearance before the Board.** Public testimony on Agenda items, or on other relevant items which any person may wish to call to the attention of the Board, may be taken by the Board. The Chair shall have the discretion to limit the time and order of appearances as deemed desirable for a fair presentation of views consistent with the other business before the Board.

**Section 6.10 Quorum.** A majority (representing Members both by number and by Demand Shares) of Board Members (or Alternates) shall constitute a quorum for the transaction of any business at any meeting of the Board.

**Section 6.11 Manner of Acting; Rules of Procedure.** If a quorum is present when a vote is taken, the affirmative Dual Majority Vote is the act of the Board unless the question is one upon which a different vote is required by express provision of law, the Interlocal Contract or these Bylaws. Meetings shall be conducted in accordance with such generally accepted rules of order as the Chair shall determine. However, the Chair or any Board Member may, at any time, require that a meeting be conducted in accordance with the latest available edition or revision of Robert's Rules of Order on Parliamentary Procedure so far as applicable and when not inconsistent with these Bylaws, the Interlocal Contract, the Articles of Incorporation or any Resolution of the Board. The Board may act by voice votes called for by the Chair, but any Member may require a recorded tabulation of votes (i.e., a recorded Dual Majority Vote or 65% Dual Majority Vote, as applicable) by making a request either immediately before the vote is taken or immediately after a voice vote has been taken.

## **Article VII. COMMITTEES OF THE BOARD**

**Section 7.01 Executive Committee.** The Chair, Vice-Chair, Secretary, Treasurer and chairs of each Standing Committee shall constitute the Executive Committee of Cascade. The Chair (or acting Chair) shall vote on matters before the Executive Committee only if necessary to break a tie. The Executive Committee shall be governed by such rules regarding meetings, action without meetings, notice, waiver of notice and quorum, as it may deem necessary and appropriate. The Executive Committee shall be responsible for ongoing oversight of the administrative, financial and other affairs of Cascade, and take any actions on behalf of Cascade except those expressly reserved to the Board by the Board or under Section 4.5 of the Interlocal Contract. In addition, in emergencies involving public health or safety or the protection of the assets and responsibilities of Cascade, the Executive Committee may take such actions, as it deems necessary with prompt notice thereof given to the Board. The Executive Committee shall not have the authority to take any action inconsistent with these Bylaws, the Interlocal Contract or inconsistent with RCW 24.06.145.

**Section 7.02 Standing Committees.** The Board may create Standing Committees as it deems appropriate and members of such Standing Committees shall be appointed by the Board. Persons who serve as members of a Standing Committee shall not be required to be Board Members or to be elected officials or employees of Members. Chairpersons of Standing Committees shall be Board Members or Alternates and shall be designated by the Board. The Board shall attempt to appoint Standing Committee members in a manner that encourages diversity of representation on Standing Committees that reflects the diversity among Members. No Committee shall have the authority to take any action inconsistent with these Bylaws, the Interlocal Contract, or inconsistent with RCW 24.06.145. The Standing Committees shall be advisory only, shall not act on behalf of the Board, conduct hearings, or takes testimony or public comment, and shall be as follows:

**(1) Finance Committee.** The Chair, Vice-Chair, Secretary/Treasurer shall constitute the Finance Committee. The Finance Committee shall consider and make recommendations to the

Board on matters relating to the oversight of the financial affairs of Cascade including to ensure an outside audit is conducted annually. The Treasurer shall Chair the Finance Committee.

**(2) Resource Management Committee.** The Resource Management Committee shall consider and make recommendations to the Board on matters relating to planning and development of water supply resources.

**(3) Public Affairs.** The Public Affairs Committee shall consider and make recommendations to the Board on matters relating to general outreach, public information, community relations, public relations, intergovernmental affairs, and membership.

**Section 7.03 Meetings of Standing Committees.** Meetings of Standing Committees of the Board shall be held at such times and places as may be fixed by each Standing Committee or its chair. The Board, by Resolution, may establish the schedule and location for the meetings of the Standing Committees.

**Section 7.04 Voting of Standing Committees.** Recommendations of the Standing Committees may be by a simple majority of the Committee members.

**Section 7.05 Special Committees.** Special Committees may be established and appointed by the Board and with such powers and duties as the Board may determine. All matters considered by Special Committees requiring action shall be referred to the Board for action unless express authority is delegated to a committee.

## **Article VIII. STAFF AND CONSULTANTS**

The staff of Cascade shall consist of a Chief Executive Officer (aka: the General Manager) and such other positions established by the Board. The Board shall appoint the Chief Executive Officer who shall not be a Board Member (or Alternate). The Chief Executive Officer shall appoint persons to fill other staff positions, subject to such confirmation by the Board or by the Executive Committee as the Board may require. Only the Board shall be authorized to hire or retain legal counsel and independent auditors. Other consultants may be designated in such manner as the Board may determine, subject to Section 4.5 of the Interlocal Contract.

## **Article IX. EXECUTION OF CONTRACTS AND OTHER INSTRUMENTS**

**Section 9.01 Execution of Contracts and Deeds.** Except as otherwise provided by Resolution of the Board, for all contracts, deeds, leases, notes, mortgages, pledges, transfers or other written instruments binding upon Cascade, the following shall apply:

- (1) Where the anticipated expenditure of or revenue to Cascade is greater than \$25,000, the Board must approve the execution and, such documents may be executed by the Chief Executive Officer or his/her designee.
- (2) Where the anticipated expenditure of or revenue to Cascade is less than \$25,000, the Chief Executive Officer may approve and execute the instruments.

## **Article X. FINANCES**

**Section 10.01 Loans.** No loans to or from Cascade involving amounts greater than \$25,000 shall be contracted on behalf of Cascade and no evidence of indebtedness totaling more than \$25,000 shall be issued in its name unless authorized by the Board. Nothing in this section shall prohibit the Chief Executive Officer from obligating Cascade under a conditional sales agreement or similar instrument so long as the value of the purchase does not exceed \$25,000. No loans shall be made by Cascade to any Officer, Board Member (or Alternate) or private entity.

**Section 10.02 Checks, Drafts, Warrants, Orders and Evidences of Indebtedness.** All checks, drafts, warrants or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of Cascade shall be signed by Officers or staff of Cascade and in the manner as shall from time to time be prescribed by Resolution of the Board.

**Section 10.03 Contributions and Disbursements.** All contributions and other funds received by Cascade shall be deposited in a special account or accounts in such banks, trust companies or other depositories as the Board may select. All disbursements shall be made under proper authority of the Board. All contributions, income to and disbursements of Cascade shall be recorded by the Treasurer or Treasurer's designee in appropriate books and records and such records shall be subject to examination at any reasonable time, upon request by any director.

**Section 10.04 Budget Management.** A preliminary budget of proposed receipts, operating income and expenditures shall be prepared by the Chief Executive Officer and submitted to the Board for its review at least 180 days prior to the beginning of the fiscal year in which that budget will take effect. An annual budget shall be submitted to the Board for its approval at least 60 days prior to the beginning of the fiscal year in which that budget will take effect. The budget shall identify the rates and charges upon which revenue is based. When approved by the Board, such budget shall be the authorization for expenditures of Cascade, subject to subsequent changes in such budget made by the Board.

**Section 10.05 Expenditures for Qualifying Purposes Only.** Subject to applicable law, the funds of Cascade may be expended or distributed only for the purposes of Cascade as described in the Interlocal Contract and in the Articles of Incorporation.

## **Article XI. SEAL**

Cascade shall not be required to have a corporate seal. If the Board adopts a corporate seal, the seal of Cascade shall be in circular form and consist of the name of Cascade, the state and year of incorporation, and the words "Corporate Seal."

## **Article XII. BOOKS AND RECORDS**

Cascade shall keep correct and complete books and records of account, minutes of the proceedings of the Board and to the extent directed by the Board, any committees and such other records as may be necessary or advisable. All books and records shall be subject to disclosure under the public disclosure law, Chapter 42.17 RCW.

**Article XIII. FISCAL YEAR**

The fiscal year of Cascade shall be determined by Resolution adopted by the Board. In the absence of such Resolution, the fiscal year shall be the calendar year.

**Article XIV. COPIES OF RESOLUTIONS**

Any person dealing with Cascade may rely upon a copy of any of the records of the proceedings, resolutions or votes of the Board when such records are certified by the Chair or Secretary.

**Article XV. LIMITATION ON DISTRIBUTION OF FUNDS**

Subject to the applicable law, the funds of Cascade may be distributed only for the purposes of Cascade as described in the Interlocal Contract.

**Article XVI. AMENDMENTS TO BYLAWS**

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a Dual Majority Vote provided that the amendment has been submitted in writing at a regular meeting of the Board.

The undersigned, being the Secretary of Cascade, hereby certifies that these Bylaws are the Bylaws of the Cascade Water Alliance adopted by Resolution No. 2009-69 of the Board on May 27, 2009.

DATED this 27<sup>th</sup> day of May, 2009.

  
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Jim Haggerton Secretary/Treasurer