



Bylaws of Metro Water Recovery

**As Amended Through
September 1, 2021**

PREAMBLE

METRO WATER RECOVERY, formerly known as Metro Wastewater Reclamation District, and formerly known as Metropolitan Denver Sewage Disposal District No. 1, was created pursuant to the authority conferred by the Metropolitan Sewage Disposal Districts Act, C.R.S. Title 32, Article 4, Part 5 as amended, hereinafter referred to as the "Act," and is a governmental subdivision of the State of Colorado, with those powers specifically granted and those reasonably implied therefrom and necessary or proper to carry out the objects and purposes of Metro. The authority to adopt Bylaws is expressly conferred by C.R.S. § 32-4-509(7)(a). Some rules governing the internal affairs of the Board of Directors are contained in the Act while others, by delegation, are to be established by the Board. For convenience of reference, those which are contained in the Act, together with those which are adopted by virtue of the delegated authority, are combined in these Bylaws. No omission, nor anything contained in these Bylaws, shall be construed as an alteration or deviation from any grant of power, duty, or responsibility or a limitation or restriction imposed upon the Board by virtue of the provisions of the Act, as amended, as it now exists or may hereafter be amended.

I.

DEFINITIONS

The terms "Board of Directors" or "Board," "Municipality" (hereinafter referred to as Member Municipality), "Governing Body," "Executive," "ordinance," "Sewage Disposal System," and other terms defined in Section 502 of the Act, whenever used in these Bylaws, or any amendment, shall have the same meaning as in said Section 502 unless the context clearly indicates a different meaning. Except when otherwise indicated by the context, the masculine gender shall also include the feminine gender.

II.

PRINCIPAL BUSINESS OFFICE

Section 1. **Business Office.** The principal business office of Metro Water Recovery shall be at Metro, 6450 York Street, Denver, Colorado 80229-7499.

Section 2. **Establishing Other Offices and Relocation.** The Board of Directors, by resolution from time to time, may designate and locate and relocate its executive and business office and such other offices or divisions as in its judgment are needed to conduct the business of Metro Water Recovery.

III.

POWERS OF THE BOARD OF DIRECTORS

All powers, privileges, and duties vested in or imposed upon Metro Water Recovery by law shall be exercised and performed by and through the Board of Directors, whether set forth specifically or implied in these Bylaws. The Board will focus on policy issues related to the activities of Metro and shall employ a Chief Executive Officer (CEO) who shall have full

control over the Sewage Disposal System and shall operate the system for Metro, subject to the reasonable control by and direction of the Board, as set forth in Article XV, Business Administration, Section 1, CEO, *Metro Water Recovery Rules and Regulations Governing the Operation, Use, and Services of the System*, and the *Purchasing and Contracting Policies of Metro Water Recovery*.

IV.

DIRECTORS

Section 1. (a) **Appointment.** Directors shall be appointed to the Board of Directors by the Executive of their respective Member Municipalities with the approval of the Governing Body of such Member Municipality; and the Executive may, at his discretion, remove from office any member of the Board representing his Member Municipality and appoint a successor with the approval of the Governing Body.

(b) **Qualifications.** Directors shall be qualified electors who reside within Metro Water Recovery and within the Member Municipality from which they are appointed. A change in residence to outside the geographical area which a Director represents shall constitute an automatic resignation and shall create a vacancy on the Board of Directors.

Section 2. **Terms of Office.** (a) The terms of office shall be for a period of two years beginning July 1. The terms of office shall expire on June 30 or when a successor has taken the Oath of Office of Director, whichever comes last.

(b) The incumbent shall remain in office until a successor has been appointed and sworn in.

Section 3. **Reapportionment.** (a) The Board of Directors shall be reapportioned every four years by resolution of the Board at a regular or special meeting in the month of May in accordance with C.R.S. § 32-4-509(2), as amended. For purposes of determining the year in which the reapportionment must take place, under Section 509, Metro Water Recovery's certificate of organization was issued May 1961.

(b) The CEO shall forthwith advise the appointing authority of each affected Member Municipality of its change in representation in order that each affected Member Municipality can make appropriate adjustments prior to the regular Board of Directors meeting in July.

Section 4. **Duties and Responsibilities.** Directors shall, in the performance of their duties and responsibilities, (a) take the Oath of Office set forth in these Bylaws, pledging to support the Constitutions of the United States of America and the State of Colorado and declaring to faithfully perform the duties of the office of Director of Metro Water Recovery,

(b) adhere to the highest standards of ethical conduct in the performance of their official duties in accordance with Articles XI and XII, Statement of Ethical Principles and Procedures,

(c) as fiduciaries of Metro Water Recovery, exercise all official duties for the benefit of Metro,

- (d) hold in confidence all matters, written and verbal, of a privileged and confidential nature. Directors shall not reveal any information which is by law confidential,
- (e) not use any confidential information for making a private profit or gaining personal benefit or benefit for others and abide by the Colorado Ethics in Government Act,
- (f) follow Metro Water Recovery policies and procedures, including these Bylaws, in the governance of Board of Directors business,
- (g) conduct themselves in a manner respectful of the office of Director and Metro Water Recovery. Directors shall refrain from personal attacks on the public and their fellow Directors and impugning the motives of their fellow Directors,
- (h) when finding it necessary to make a written or oral public statement, make a disclaimer statement, being clear that the Director “is not speaking on behalf of the Metro Water Recovery, and the views expressed are the Director’s own personal opinions and not those of Metro,”
- (i) acknowledge that all matters discussed in executive session are privileged and confidential in nature and no such information, written or verbal, shall be made available to the public by a Director, and
- (j) vote on the official business of Metro Water Recovery.

Section 5. **Attendance at Meetings.** (a) In order to effectively perform their duties and responsibilities, Directors shall make a diligent effort to attend all Board of Directors meetings.

(b) Directors will be assigned to various Committees of the Board of Directors, and shall make the same diligent effort to attend their assigned Committee meetings.

(c) New Directors shall attend a New Directors Orientation, if offered, once within 12 months of their appointment to the Board of Directors.

(d) After a Director is absent, without excuse, at three consecutive Board meetings, the Chairman of the Board shall send notification to the Executive of the Director’s Member Municipality advising him of the absences. The same notification shall be sent if a Director is absent, without excuse, at three consecutive Standing or Special Purpose Committee meetings.

(e) Semi-annually, the CEO shall notify the Executives of the Director’s Member Municipality of the attendance records for the periods January through June and July through December of its representative(s) at Board of Directors and Committee meetings. The notices shall be sent out in January and July of each year.

Section 6. **Payment for Attendance at Meetings.** Pursuant to C.R.S. § 32-4-509(8), each Director is compensated for services on the Board of Directors at a rate of \$75 for each regular or special meeting of the Board or Board Committee attended, with a maximum annual payment to a Director of \$3,000. No Director shall receive payment for attendance at more than two meetings of the Board or Board Committee in any single day. In addition, Directors will be reimbursed for mileage to and from Metro Water Recovery and for other

Metro-related business. Directors are paid in January and July for attendance and expenses during the previous six months.

Section 7. **Vacancies.** Any vacancy occurring in the Board of Directors shall be filled for the unexpired term in the same manner as original appointments.

Section 8. **Resignations.** A Director may resign at any time by giving written notice to the appropriate appointing authority of the Director's Member Municipality, with a copy to the CEO.

Section 9. **Oath or Affirmation of Office.** Each member of the Board of Directors, before assuming the responsibilities of his office, shall take and subscribe an Oath or Affirmation of Office in substantially the following form, to-wit:

OATH OR AFFIRMATION OF OFFICE OF DIRECTOR			
STATE OF COLORADO	}		
	}	§	
COUNTY OF ADAMS	}		
I, _____,			
Choose one of the following:			
{ solemnly swear by the ever-living God }			
or			
{ sincerely, and truly declare and affirm }			
that I am a qualified elector who resides at _____, which is within METRO WATER RECOVERY, and within _____, the {Municipality} or {Special District} from which I was appointed; that I will support the Constitutions of the United States of America and of the State of Colorado, and that I will faithfully perform the duties and responsibilities of the office of Director of METRO WATER RECOVERY, to which I have been appointed.			

Subscribed and sworn to before me this ____ day of _____, ____.			

Notary Public			
My commission expires: _____ Address: _____			

Section 10. **Hiring of Directors.** A Director may not become an employee of Metro Water Recovery within six months of serving as a Director without the approval of the Board of Directors.

V.

BOARD OFFICERS

Section 1. **Election of Officers.** (a) The Board of Directors shall elect from its membership, a Chairman, Chairman Pro Tem, Secretary, and Treasurer who shall be the Officers of Metro Water Recovery.

(b) Annually, in May, the Chairman of the Board shall appoint five Directors to the Nominating Committee, as provided in Article X, Section 3, of these Bylaws. The Nominating Committee shall select members of the Board to stand for election as the Officers of Metro Water Recovery, as provided above, and present a list of nominees to the Board at its regular meeting in the month of June.

(c) The election of Officers shall be held annually at the regular meeting of the Board of Directors in the month of July. Nominations may be made from the floor at the July Board meeting. The Officers shall be elected by a majority of Directors present and voting. If the positions are uncontested, the election shall be by a reference roll, with the ayes and nays recorded. If there are nominations from the floor, the election shall be by secret ballot for any and all contested positions. The terms of office shall begin immediately after the election.

Section 2. **Vacancies.** Any vacancy occurring in any office shall be filled for the unexpired term in the same manner as is provided for the selection of full-term Officers.

Section 3. **Removal of Officers.** Any Officer of Metro Water Recovery may be removed by the Board of Directors for failure to attend meetings or to carry out the duties of his office. Such action shall be initiated by a motion made at a regular meeting, but the vote shall not be called for until the next regular meeting or at a special meeting called for the purpose of considering such motion. The Secretary shall see that a copy of the resolution is mailed to the affected Officer at least ten days prior to the meeting at which the motion is to be voted upon. The vote shall be by secret ballot. Removal shall require an affirmative vote of a majority of Directors present and voting.

Section 4. **Chairman.** The Chairman shall preside at all Board of Directors meetings and Executive Committee meetings and shall provide direction to the CEO on behalf of the Board. Except as otherwise authorized by resolution or these Bylaws, the Chairman shall sign all contracts, deeds, notes, debentures, warrants, and other instruments on behalf of Metro Water Recovery. The Chairman of the Board shall be Chairman of the Executive Committee.

Section 5. **Chairman Pro Tem.** The Chairman Pro Tem shall act for and have all the authority of the Chairman during the absence of the Chairman; and, in the case of a vacancy in the office of the Chairman, shall serve as Chairman until such time as the Board of Directors shall select a new Chairman.

Section 6. **Secretary.** The Secretary shall be responsible for recording all votes of the Board of Directors and perform all duties incident to that office and those specifically assigned or delegated by the Board. Whenever the Secretary is absent from any meeting, the Chairman may appoint a Secretary Pro Tem for said meeting.

Section 7. **Treasurer.** The Treasurer shall have the authority to sign checks and perform such duties as are normally performed by a Treasurer and those specifically assigned or delegated by the Board of Directors. The Treasurer shall automatically be a member of the Finance and Audit Committees.

Section 8. **Additional Duties.** The Officers of Metro Water Recovery shall perform such other duties and functions as may from time to time be required by the Board of Directors, or by the Bylaws or Rules and Regulations of Metro.

VI.

BOARD MEETINGS

Section 1. **Regular Meetings.** Regular meetings of the Board of Directors shall be held on the third Tuesday of each month at 5:30 p.m. at Metro Water Recovery, 6450 York Street, Denver, Colorado, or at such other times or lawful places as designated by the Chairman of the Board.

Section 2. **Special Meetings.** Special meetings shall be called by the Chairman of the Board whenever, in his opinion, such a meeting is necessary or desirable or whenever the same is requested in writing by 20 percent or more of the members of the Board of Directors.

Section 3. **Public Meetings.** (a) All meetings of Metro Water Recovery shall comply with the Act, as amended, and the Colorado Open Meetings Law, C.R.S. § 24-6-401 *et seq.*, as amended.

(b) All meetings of three or more members of the Board of Directors at which public business is discussed or at which any formal action may be taken, are public meetings open to the public. Open meeting requirements do not apply to chance meetings or social gatherings at which discussion of public business is not the central purpose. Public notice is required where the meeting is part of the policy-making procedure and is held for the purpose of discussing or undertaking a rule, regulation, ordinance, or formal action.

(c) Persons who are not members of the Board of Directors may be allowed to speak at Board meetings at the discretion of the Chairman of the Board, in accordance with guidelines established by the Board.

Section 4. **Executive Sessions.** (a) The Board of Directors may hold an executive session of the Board at a regular or special meeting in compliance with the Act, as amended, and the Colorado Open Meetings Law, C.R.S. § 24-6-401 *et seq.*, as amended.

(b) All matters discussed in executive session are privileged and confidential in nature and no such information, written or verbal, shall be made available to the public by a Director.

(c) The minutes of the Board of Directors meeting shall reflect the topic(s) of discussion during executive session.

(d) No formal action may be taken while in executive session.

Section 5. **Notice of Meetings.** (a) Section 1 of this Article VI shall constitute formal notice to Directors of regular meetings and no other notice shall be required. Notice of special meetings shall be in writing and shall be sent by first class mail, postage prepaid, or distributed by another appropriate form of delivery, to each Director at his last known address as shown by the records of Metro Water Recovery. Such notices shall be deposited in the United States mail or delivery initiated at least four days prior to the day of the meeting.

(b) Notice of meetings shall contain (1) the date, time, and place of the meeting and (2) the agenda for the meeting, or the purpose or purposes for which it is called. Special meetings shall be limited to the subjects set forth in the notice or call therefore.

(c) Notice of meetings of Metro Water Recovery shall comply with the notice requirements of the Colorado Open Meetings Law, including the posting requirements.

Section 6. **Recesses and Adjournments.** Nothing herein contained shall be construed to prevent the recess or adjournment of a regular or special meeting to any lawful place designated by the Board of Directors, by motion or resolution specifying the date, time, and place of the recessed or adjourned meeting.

Section 7. **Waiver of Notice.** No notice to Directors shall be required when all of the Directors waive notice or acknowledge receipt of notice and consent on the record of the meeting to the holding of such meeting. Such meeting shall be valid for all purposes and any action may be taken.

Section 8. **Suspension of Regular Meeting.** The Executive Committee may suspend any regular meeting of the Board of Directors by giving notice in writing to each Director in the manner provided in Section 5(a) for notice of special meeting stating in such notice the reason or reasons that the regular meeting is to be suspended.

VII.

CONDUCT OF BOARD MEETING BUSINESS

Section 1. **Quorum.** No business of the Board of Directors shall be transacted except at a regular or special meeting at which a quorum consisting of one-half of the total membership of the Board is present. In the absence of a quorum, a smaller number of Directors may adjourn from time to time and may compel attendance of absent members in such manner and under such penalties as the Board may provide.

Section 2. **Voting Requirements.** (a) Any action of the Board of Directors shall require the affirmative vote of the majority of the Directors present and voting, but questions involving the inclusion or exclusion of territories or authorizing expenditures in excess of \$50,000 shall require a majority of the entire membership of the Board. A majority of the entire membership of the Board may authorize by resolution any project authorized by the Act and also thereby authorize expenditures from time to time appertaining to such project in excess of \$50,000 approved by an affirmative vote of the majority of the Directors present and voting at any subsequent meeting.

(b) At least one roll call vote shall be taken at every Board of Directors meeting, for attendance purposes. All other votes may be made by reference roll, as long as all aye and nay votes are recorded. If any one Director objects, a roll call vote shall be taken.

(c) A consent agenda (voting on some or all official actions by one vote) is allowed as long as all ayes and nays are recorded for the action taken. If any Director objects, the Chairman of the Board shall allow debate and put the question in the regular manner.

(d) It is the duty of every Director to vote. Directors may abstain from voting on any item since they cannot be compelled to vote. Because a specific number of aye votes are necessary to carry certain resolutions, an abstention may have the same effect as a negative vote. Directors shall state the reason for abstaining from any vote.

(e) No Director shall vote on a question in which he has a conflict of interest as set forth in Article XI. Directors may vote for themselves for an office or other position to which members generally are eligible.

(f) No Director may vote by proxy.

(g) **Weighted Voting.** Notwithstanding the provisions of Section 2 herein, on any matter pending before the Board of Directors, if a weighted vote were applied to the votes cast in a non-weighted vote which would change the result of the non-weighted vote, the weighted vote shall be the decision of the Board. The weight of each Member Municipality's vote under a weighted vote shall be determined as follows:

Each Member Municipality will be entitled to a total weighted vote equal to its population divided by 25,000 plus 1 for any fractional remainder. Each Member Municipality's weighted vote shall be based on that Member Municipality's population estimate as set forth in the most recent Board of Directors reapportionment calculation. If any Member Municipality's population exceeds 50 percent of the total population of Metro Water Recovery, it shall be deemed capped at 50 percent for purposes of weighted voting, and the percentages of the other Member Municipalities will be adjusted proportionately so that the total voting percentage equals 100 percent.

The Member Municipality's per Director weighted vote is calculated by taking the total weighted vote divided by the number of Directors the Member Municipality currently is entitled to on the Board of Directors. For example, if Member Municipality X has a population of 103,000, its weighted vote would be 5. The two Directors representing Member Municipality X on the Board would then cast the 5 weighted votes. Each of the votes of Member Municipality X's two Directors would be worth 2.5. The weighted vote for any absent or unappointed Director would not be counted. For example, if only one of Member Municipality X's two members was present to vote, or only one had been appointed, Member Municipality X would only be entitled to a total weighted vote of 2.5, rather than 5.

Section 3. **Order of Business at Regular Meetings.** (a) The business of all regular meetings of the Board of Directors shall be transacted as far as practicable in the following order:

1. Call to Order
2. Oath of Office - when appropriate
3. Roll Call of Members
4. Public Comment
5. Approval of the Minutes of the Previous Meeting
6. Progress and Projection Reports
 - a. Report by CEO
 - b. Report by Legal Counsel
7. Reports
 - a. Officers
 - b. Committees
8. New Business
9. Director Recognition – when appropriate
10. Individual Director Comments
11. Election of Officers – when appropriate
12. Adjournment

(b) The order of business shall faithfully adhere to the items as set forth in the agenda which shall be mailed, postage prepaid, or distributed by another appropriate form of delivery to each Director at least four days before the scheduled meeting.

(c) No business requiring action by the Board of Directors shall be considered, unless it is specifically set forth in the agenda, unless a two-thirds majority of the Directors present at the meeting vote to suspend this rule.

Section 4. **Resolutions.** (a) Each and every action by the Board of Directors, necessary or proper for the government and management of the affairs of Metro Water Recovery, for the execution of the powers vested in Metro and for carrying into effect the provisions of the Act, as amended, shall be taken by the passage of a resolution and the aye and nay votes recorded.

(b) Resolutions shall be read in full at Board of Directors meetings unless draft resolutions are provided to the Board prior to the Board meeting. Draft resolutions shall be sent by first class mail or another appropriate form of delivery to each Director four days preceding any regular or special meeting, or by delivering copies to each member one day prior to any such meeting. If any member requests all or any part of the draft resolution be read, the Chairman of the Board shall so order.

Section 5. **Record of Proceedings.** (a) Summary minutes of all Board of Directors meetings shall be taken and promptly recorded and be open to public inspection at the offices of Metro Water Recovery during regular business hours. The summary minutes shall provide a record of action taken and a brief summary of the discussion.

(b) All resolutions and motions of the Board of Directors shall be recorded in minutes of the meeting, and the minutes shall be authenticated by the signatures of the Chairman of the Board and attested by the Secretary with the seal of Metro Water Recovery affixed thereto and shall be recorded in a permanent form acceptable under law.

Section 6. **Tape Recording of Meetings.** Tape recording or videotaping of Board meetings by Directors or outside parties is permitted. Directors or outside parties shall, at

the beginning of every meeting, inform the Chairman of the meeting of their intent to tape the proceedings.

Section 7. **Parliamentary Procedure.** *Robert's Rules of Order* shall govern parliamentary procedure, except as herein otherwise provided. Metro Water Recovery's Legal Counsel shall serve as the Parliamentarian in an advisory capacity to the Chairman of the Board in matters relating to parliamentary procedure.

VIII.

EXECUTIVE COMMITTEE

Section 1. **Creation of the Executive Committee.** (a) An Executive Committee consisting of 9 members of the Board of Directors is hereby created. The Officers shall be members of the Executive Committee and the balance shall be made up of the Chairmen of the Finance and Operations Committees, with three additional members to be appointed by the Chairman of the Board, one of whom shall be the most recent past Chairman. If the most recent past Chairman is unavailable, the Chairman of the Board shall appoint another member to the Committee. The Chairman of the Board shall be the Chairman of the Executive Committee.

(b) If the Chairman of a Standing Committee is unable to attend an Executive Committee meeting, the Vice Chair of that Standing Committee may attend in his place. Notwithstanding Section 5(d) below, a Vice Chair attending an Executive Committee meeting under this subsection may vote on matters acted on by the Executive Committee.

Section 2. **Quorum—Proxy.** A quorum of the Executive Committee for any meeting shall consist of a majority of all the members of the Executive Committee. Members may not vote by proxy.

Section 3. **Term of Office.** The term of office of members of the Executive Committee shall be for one year, or until their successors are designated.

Section 4. **Powers and Responsibilities.** (a) The Executive Committee shall establish the agenda for the Board of Directors.

(b) The Executive Committee shall have the power and authority to appropriate funds for expenditures/contracts of all kinds, when the proposed expenditure by Metro Water Recovery is not more than \$50,000.

(c) The Executive Committee shall have the authority to authorize expenditures, amendments, and change orders up to twice the amount authorized for the CEO in Metro Water Recovery's *Purchasing and Contracting Policies*, when the full Board of Directors has previously approved an appropriation for a specific purpose and where sufficient funds are available within that appropriation to carry out the intent of the Board's appropriation.

(d) The Executive Committee shall provide general oversight of Metro Water Recovery's external financial auditing program.

(e) The Executive Committee shall have such other powers and authority to act on behalf of Metro as the Board of Directors shall determine by resolution or as provided in these Bylaws.

Section 5. **Conduct of Business.** (a) All meetings of the Executive Committee shall comply with the Act, as amended, and the Colorado Open Meetings Law, C.R.S. § 24-6-401 *et seq.*, as amended.

(b) The Executive Committee shall meet monthly to review operating results and financial information, consider action on Metro Water Recovery matters, and either approve actions within its delegated authority or recommend action to the full Board of Directors.

(c) The order of business shall faithfully adhere to the agenda prepared for each Executive Committee meeting, unless a two-thirds majority of Executive Committee members attending the meeting vote to suspend this rule.

(d) Directors who are not members of the Executive Committee may attend and participate in any Executive Committee meeting but may not vote on items requiring a vote.

(e) Persons who are not members of the Board of Directors may be allowed to speak to the Executive Committee at the discretion of the Chairman of the Executive Committee, in accordance with guidelines established by the Board.

Section 6. **Executive Sessions.** The Executive Committee may hold executive sessions in accordance with Article VI, Board Meetings, Section 4, of these Bylaws.

Section 7. **Resolutions.** Each and every action by the Executive Committee necessary or proper for the government and management of the affairs of Metro Water Recovery, for the execution of the powers vested in Metro and for carrying into effect the provisions of the Act, as amended, shall be taken by the passage of resolutions and shall require the affirmative vote of a majority of all members of the Executive Committee.

Section 8. **Record of Proceedings.** (a) All resolutions and motions shall be recorded in summary minutes which shall provide a record of action taken and a brief summary of the discussion. The summary minutes shall be authenticated by the signature of the Chairman of the Board and attested by the Secretary, with the seal of Metro Water Recovery affixed thereto, and shall be recorded in a permanent form acceptable under law. The summary minutes shall be available for inspection at the offices of Metro during regular business hours.

(b) Copies of minutes of the Executive Committee meetings shall be provided to the Board of Directors with the regular monthly Board meeting agenda. Should a Director wish to make a correction, deletion, or addition to the minutes, the Director should advise the Chairman of the Board prior to the Board meeting in the same month the Committee met. The Chairman can then report such changes at the Board meeting under Reports of Committees. The Executive Committee has the final determination of the contents of its minutes.

Section 9. **Tape Recording of Meetings.** Tape recording or videotaping of Executive Committee meetings is permitted. Directors and outside parties shall, at the beginning of every meeting, inform the Chairman of the meeting of their intent to tape the proceedings.

Section 10. **Attendance at Meetings.** If, during his term of office, a member of the Executive Committee is absent, without excuse, for more than three regular meetings of the Executive Committee, his position shall automatically be vacated, notwithstanding the provisions in Article V, Section 3. If an elected Board officer, the vacancy in the elected office shall be filled as provided in Article V, Section 2, of these Bylaws. If an appointed member, the Chairman shall fill the vacancy. An absence may be excused for good cause shown to the Chairman of the Executive Committee.

IX.

STANDING COMMITTEES

Section 1. **General Organization.** (a) There shall be two Standing Committees, Finance and Operations. Standing Committees shall function as described in this Article.

(b) Standing Committees shall consist of at least ten members. The Chairman of the Board shall appoint members of the Board of Directors to serve on the respective Standing Committees, taking into consideration the requests of the individual Directors to serve on specific Committees, as well as diversity of member representation on each Committee.

(c) The Chairman of the Board shall appoint a Chairman for each Standing Committee, and no Committee Chairman shall be an Officer of Metro Water Recovery. Each Committee shall elect a Vice Chairman from its membership.

Section 2. **Conduct of Business.** (a) All meetings of the Standing Committees shall comply with the Act, as amended, and the Colorado Open Meetings Law, C.R.S. § 24-6-401 *et seq.*, as amended.

(b) Standing Committees shall meet monthly in public session to review operating and financial information and to recommend action to the Executive Committee or the full Board of Directors.

(c) The order of business shall faithfully adhere to the agenda prepared for each Standing Committee meeting, unless a two-thirds majority of Directors present at a meeting vote to suspend this rule.

(d) A quorum is not necessary in order for Standing Committees to transact business or make recommendations to the Executive Committee and/or the full Board of Directors.

(e) Any action taken by a Standing or Special Purpose Committee shall require the affirmative vote of a majority of the members appointed to that Committee who are present and voting. No Director may vote by proxy.

(f) All Directors may attend and participate in any of the Standing or Special Purpose Committee meetings. A Director may vote on items at a Standing Committee of which he is not a member, provided he did not or cannot attend his assigned Standing Committee meeting. A Director who attended a Standing Committee meeting and voted or abstained from voting at that meeting may not vote at the other Standing Committee meeting. Directors attending a Special Purpose Committee meeting may not vote if they are not a member of that Committee.

(g) Persons who are not members of the Board of Directors may be allowed to speak to the Standing Committees at the discretion of the Chairman of the Committee, in accordance with guidelines established by the Board.

Section 3. **Executive Sessions.** Standing Committees may hold executive sessions in accordance with Article VI, Board Meetings, Section 4, of these Bylaws.

Section 4. **Record of Proceedings.** (a) Summary minutes of all Standing Committee meetings shall be taken and promptly recorded and open to public inspection in the offices of Metro Water Recovery during regular business hours. The summary minutes shall provide a record of actions taken and a brief summary of the discussion.

(b) Copies of summary minutes of Standing Committee meetings shall be provided to the Board of Directors with the regular monthly Board meeting agenda. No formal approval or acceptance of said minutes is required. Should a Director wish to make a correction, deletion, or addition to the minutes, the Director should advise the Chairman of the Committee prior to the Board meeting in the same month the Committee met. The Chairman of the Committee can then report such changes at the Board meeting under Reports of Committees. Each Standing Committee has the final determination of the contents of its meeting minutes.

Section 5. **Tape Recording of Meetings.** Tape recording or videotaping of Standing Committee meetings is permitted. Directors and outside parties shall, at the beginning of every meeting, inform the Chairman of the meeting of their intent to tape the proceedings.

Section 6. **Finance Committee.** The Finance Committee shall be responsible for (a) advising and counseling the CEO in the preparation of the annual budget, (b) reviewing and monitoring the monthly financial statements of Metro Water Recovery, (c) reviewing the annual budget of Metro, (d) reviewing external financial audits and making recommendations to the Audit Committee as appropriate, and (e) such other matters as may be assigned to it by the Chairman of the Board or by the Board of Directors by resolution. The Treasurer shall be a member of this Committee.

Section 7. **Operations Committee.** The Operations Committee is charged with (a) reviewing matters concerning operations and maintenance of Metro Water Recovery's facilities and the METROGRO Farm, both from an operational and an engineering standpoint, (b) providing planning continuity for Metro, and (c) such other matters as may be assigned to it by the Chairman of the Board or by the Board of Directors by resolution.

X.

SPECIAL PURPOSE COMMITTEES

The Chairman of the Board or the Executive Committee may establish such other Special Purpose Committees as deemed necessary to address special or ongoing issues, and the Chairman of the Board shall appoint members to the Committees. The Chairman of the Board shall appoint a Chairman for each Special Purpose Committee and each Committee shall elect a Vice-Chairman from its membership. Special Purpose Committees shall meet as necessary and follow the same rules of conduct followed by Standing Committees as described in Article IX, Sections 2, 3, 4, and 5, except as otherwise approved by the Board of

Directors. The Chairman of the Board and/or the Executive Committee that established the Committee shall disband such Special Purpose Committee at the completion of its assigned charge, with appropriate notice to the Committee members, except for the following ongoing Special Purpose Committees:

Section 1. **Audit Committee.** (a) The Audit Committee shall provide oversight and review of Metro Water Recovery's external and internal audits, including Metro's Defined Benefit Retirement Plan audit, and shall report to the Executive Committee.

(b) The Audit Committee shall consist of five members of the Board of Directors. Pursuant to Article V, Board Officers, Section 7, Treasurer, the Treasurer of the Board shall be a member of the Audit Committee. The term of office shall be for a period of one year or until a successor has been appointed.

(c) The Audit Committee will conduct business according to a Charter approved by the Executive Committee.

Section 2. **Ethics Committee.** (a) The Ethics Committee shall act in an advisory capacity to individual Directors, the Chairman of the Board, and/or the Executive Committee relative to requests regarding potential ethical conflicts of interest for Directors, pursuant to the Board of Directors' *Statement of Ethical Principles and Procedures*, as referred to in Article XII. The Committee shall issue interpretations and guidelines for the Board's *Statement of Ethical Principles and Procedures*; prepare advisory opinions; conduct investigations; and make recommendations, where appropriate, to the Executive Committee when no sanctions are recommended or to the full Board when sanctions are recommended.

(b) The Ethics Committee shall consist of five members of the Board of Directors. As provided for in the *Statement of Ethical Principles and Procedures*, members are appointed for a one-year term in September of each year.

(c) The Ethics Committee will schedule meetings on an as-needed basis.

Section 3. **Nominating Committee.** (a) Annually, in May, the Chairman of the Board shall appoint five members of the Board of Directors, at least two of whom must have previously served as Officers of Metro Water Recovery, to the Nominating Committee for the purpose of nominating members of the Board to stand for election as Officers of Metro.

(b) The Nominating Committee shall meet in May and/or June to identify members of the Board of Directors to nominate for election as Officers of Metro Water Recovery. The Committee shall nominate members of the Board to stand for election as the Officers of Metro, as provided in Article V, Section 1, of these Bylaws. The list of nominees shall be presented to the Board at its regular Board meeting in June, and the election of Officers shall occur at the regular Board meeting in July.

(c) Members of the Nominating Committee shall not stand for election as an Officer of Metro Water Recovery.

XI.

CONFLICT OF INTEREST

Section 1. **Refrain from Participation.** Any member of the Board of Directors who is present at a meeting at which is discussed any matter in which the Director has, directly or indirectly, a personal or private interest, shall declare said interest and shall refrain from attempting to influence the decisions of other members of the Board and shall not vote in respect to such matter.

Section 2. **Official Interest Only.** (a) No member of the Board of Directors, nor any employee or agent of Metro Water Recovery, shall be interested in any contract or transaction with Metro except in his official representative capacity, or as provided in his contract of employment with Metro.

(b) Neither the holding of any office nor employment in the government of any Member Municipality nor other public body nor the federal government, nor the owning of any property within the State of Colorado shall be deemed a disqualification for membership on the Board of Directors or employment by Metro Water Recovery, nor a disqualification for compensation for services as a member of the Board, nor as an employee or agent of Metro.

Section 3. **Violations of this Provision.** If any member of the Board of Directors violates the provisions in this Article XI, notification of such violation will be mailed to the appointing authority.

XII.

STATEMENT OF ETHICAL PRINCIPLES AND PROCEDURES

In order to adhere to the highest standards of ethical conduct in the performance of their official duties, in accordance with Article IV, Section 4(b), the Board of Directors adopted a *Statement of Ethical Principles and Procedures*, which may be amended from time to time by the Board, and shall be kept on file at the offices of Metro Water Recovery.

XIII.

INDEMNIFICATION

Section 1. **Definitions.** As used in this Article:

“Official” means any former or current Director or Officer of Metro Water Recovery.

“Employee” means any person formerly or currently employed by Metro Water Recovery.

Section 2. **Indemnification.** Each Official and Employee of Metro Water Recovery, while serving in his official capacity, shall be indemnified as follows:

(a) If any claim or actions, civil or criminal, is brought or instituted against any Official or Employee arising out of an act or omission of the Official or Employee occurring during the

performance of his duties and within the scope of his employment, except where such action or omission is willful and wanton, Metro Water Recovery shall indemnify such Official or Employee in the defense of such action or claim including reasonable attorney's fees and shall pay any judgment or settlement arising out of such claim or action if the Official or the Employee does not compromise or settle the claim without the consent of Metro Water Recovery.

(b) Metro Water Recovery shall pay the reasonable costs of defense of any of its Officials or Employees where the claim arises out of injuries or damages sustained from an act or omission of such Official or Employee while in the performance of his duties and within the scope of his employment. Such defense shall be assumed by attorneys for Metro unless, in the sole discretion of Metro, Metro authorizes the Official or Employee to engage counsel of his choosing. If private counsel is authorized, Metro shall pay the reasonable costs and reasonable attorney's fees as incurred and billed.

If, upon trial of the case, the court or jury shall determine that the act or omission complained of was not in the performance of his duties and not within the scope of employment or that the act or omission was willful and wanton, Metro Water Recovery may request that the court order such Official or Employee to reimburse Metro for reasonable costs and reasonable attorney's fees incurred in the defense of such Official or Employee.

(c) In the event that an Official or an Employee who has acted in good faith in the discharge of his official duties during the course of his employment becomes involved in any investigation which can lead to criminal prosecution where the subject matter of investigation concerns Metro Water Recovery matters, Metro shall indemnify such Official or Employee as provided above in Subsection (b) for any reasonable costs incurred including reasonable attorney's fees in conjunction with such investigation or proceedings.

(d) Whenever a claim, action, or investigational proceeding as described in Subsection (c) arises out of conduct which results in the Official or Employee being convicted of a crime, such Official or Employee shall not be entitled to indemnity and Metro Water Recovery shall recover from the Official or Employee the reasonable costs and reasonable attorney's fees incurred in the defense or any appeal of such Official or Employee.

XIV.

GUIDELINES CONCERNING PUBLIC STATEMENTS

The Chairman of the Board (or Designee) shall be the official spokesman for Metro Water Recovery. The Chairman is authorized to make announcements or statements about Metro matters to the media via news releases, press briefings, or interviews.

XV.

BUSINESS ADMINISTRATION

Section 1. **The CEO.** (a) The Board of Directors shall appoint a CEO, who shall serve for such term and upon such conditions, including salary, as the Board, from time to time, may establish by resolution.

(b) The CEO shall appoint a deputy.

(c) The CEO shall have full control over the Sewage Disposal System, shall operate the system subject to the reasonable control by and direction of the Board of Directors, and shall have the following powers, duties, and responsibilities in addition to the powers, duties, and responsibilities as authorized by the Board by policy or resolution:

1. The hiring, discharge, and general superintendence and direction of all other employees of Metro Water Recovery, to the end that qualified individuals are employed when and as needed and that their respective duties are properly performed.
2. Expending of funds from a "petty cash" account, upon his sole signature, for use in the day-to-day operation of the business of Metro Water Recovery, said amount to be authorized at no more than \$1,000 per occurrence.
3. Reporting on the operations and progress of projects and other matters pertaining to Metro Water Recovery.
4. Executing, on behalf of Metro Water Recovery, contracts of purchase for acquisition of fee interests, easements, and leases in real property where such acquisition has been duly authorized by resolution of the Board.
5. Executing, on behalf of Metro Water Recovery, contracts for relocating interceptor sewer lines requested by developers or others including the exchange of easements or other interests in land for interceptor sewer lines related to the relocation where the other party is paying for costs of the relocation and where the CEO has determined it is in the best interest of Metro to make such an exchange because Metro is acquiring new facilities and is obtaining an appropriate easement or other interest in land for the new facilities and Metro has no further need for the existing easement or other interest in land.
6. Approving expenditures and executing contracts on behalf of Metro Water Recovery within the expenditure authority approved by the Board.
7. Maintaining and affixing the seal of Metro Water Recovery as provided for in the Act. The CEO may delegate this authority to a Metro Water Recovery employee.
8. Endorsing checks and making deposits of funds in approved Metro Water Recovery depositories. The CEO may delegate this authority to a Metro employee.
9. Operating the check signing machine. The CEO may delegate this authority to a Metro Water Recovery employee.
10. Periodically selecting at least one official newspaper of Metro Water Recovery and other such newspapers as appropriate for specific circumstances.

11. Acting as spokesman for Metro Water Recovery when the Chairman of the Board so designates this authority.

Section 2. **Absence of the CEO.** In the absence of the CEO, their deputy shall serve as the CEO with the powers, duties, and responsibilities as authorized by the CEO.

Section 3. **Vacancy in the Position of CEO.** (a) If there is a vacancy in the position of CEO, the deputy shall serve as the CEO with all powers, duties, and responsibilities of the CEO until such time as the Board of Directors shall select a new CEO.

(b) In the event of concurrent vacancies in the offices of the CEO and their deputy, the Officers shall meet and select an Interim CEO. This selection must be ratified by a majority of Directors at the next scheduled Board of Directors meeting or at a special meeting called for that purpose. The Interim CEO shall serve until such time as the Board selects a new CEO.

(c) A majority of the Officers shall determine when a vacancy exists in the position of CEO.

Section 4. **Employee Selection.** The selection of Metro Water Recovery employees shall be based upon relative qualifications and capabilities of the applicants. Metro is an equal opportunity employer.

Section 5. **Selection of Agents, Engineers, and Attorneys, and Tenure.** The selection of agents, engineers, and attorneys of Metro Water Recovery by the Board of Directors, or any Committee designated so to do, shall be based upon relative qualifications and capabilities of the applicants. Agents shall hold their offices at the pleasure of the Board. Contracts for professional services of engineers and attorneys may be entered into on such terms and conditions as the Board may deem reasonable and proper. Agents, engineers, and attorneys shall comply with all applicable local, state, and federal laws.

XVI.

ANNUAL BUDGET ADMINISTRATION

Section 1. **Fiscal Year.** The fiscal year of Metro Water Recovery shall commence on January 1 and end on December 31 of each year.

Section 2. **Annual Budget.** The CEO, with the advice and counsel of the Finance Committee, shall annually prepare a budget in accordance with the provisions of bond resolutions then in effect and in accordance with other requirements as the Board of Directors may set forth, including, but not limited to the following:

(a) Copies of the preliminary and adopted annual budget and any subsequent amendments thereto shall be filed in the offices of Metro Water Recovery and furnished to each Director, and to any interested party upon request or as otherwise directed by the Board of Directors.

(b) In addition, a copy of the adopted annual budget and any subsequent amendments thereto shall be filed with the State Division of Local Government, Department of Local Affairs.

Section 3. **Appropriating Resolution.** Prior to January 1, the Board of Directors shall enact a resolution making appropriations for the fiscal year in accordance with the adopted annual budget. The amounts appropriated for the various purposes of Metro Water Recovery shall not exceed the amounts fixed thereto in the adopted annual budget.

Section 4. **Failure to Make Appropriation.** If, at the termination of any fiscal year, the appropriations necessary for the support of Metro Water Recovery for the ensuing fiscal year shall not have been made, amounts appropriated in the last appropriation resolution for the purposes therein specified, as far as the same shall relate to the operation and maintenance expenses, shall be deemed to be appropriated for the several purposes specified in the last appropriation resolution.

Section 5. **Amended Budget.** In cases of emergencies or some other contingency which could not have been reasonably foreseen at the time of the adoption of the budget, the Board of Directors shall amend the budget as necessary in accordance with bond resolutions then in effect and appropriate funds accordingly. Such resolutions shall set forth in full the facts concerning the emergency.

Section 6. **Unspent or Uncommitted Funds.** If there are any unspent or uncommitted funds, such available funds shall be transferred on an annual basis in accordance with the provisions of the bond resolutions then in effect.

Section 7. **Annual Audit.** An audit shall be made of all of the financial affairs of Metro Water Recovery beginning the month of January immediately following the end of the fiscal year and be completed by March 31 of each year. One certified copy of said audit shall be filed with the office of the State Auditor. The audit shall be made by an independent certified public accountant as approved by the Board of Directors. The auditor shall prepare a financial statement based upon such audit and shall certify as to its correctness and accuracy. Other audits shall be made as the Audit Committee or Board shall order.

XVII.

CORPORATE SEAL

The seal of Metro Water Recovery shall be a circle containing the name of Metro and which shall be used in all places and in such manner as seals generally are used by public and private corporations. The CEO, or designee, shall have official custody of the seal and shall be responsible for its safekeeping and use. The seal and official records shall be maintained in the offices of Metro.

XVIII.

MODIFICATION OF BYLAWS

These Bylaws may be altered, amended, or repealed by the Board of Directors. Such action shall be initiated by a motion and vote at a regular meeting to introduce proposed modifications to the Bylaws. A final vote on a resolution adopting proposed modifications to the Bylaws shall not be called for until the next regular meeting or at a special meeting called for the purpose of considering such motion to change the Bylaws. The Secretary shall see that a copy of the proposed language to alter, amend, or repeal the Bylaws is mailed at least four days prior to the meeting at which proposed modifications will be introduced and at least four days prior to the meeting at which the final vote on a resolution adopting the proposed modifications to the Bylaws is called for, providing that any amendment to change the date of a regular meeting of the Board as provided in Article VI, Section 1, hereof may be made immediately at any regular or special meeting of the Board. Any vote on an amendment shall be in accordance with Article VII Section 2 of these Bylaws.

The foregoing are the official Bylaws of METRO WATER RECOVERY, as adopted December 17, 1963; as amended May 12, 1982; as amended May 16, 1989; as amended February 20, 1990; as amended June 19, 1990; as amended December 18, 1990; as amended October 15, 1991; as amended May 1, 1992; as amended December 16, 1997; as amended April 15, 2003; as amended July 17, 2007; as amended October 16, 2007; as amended March 18, 2008; as amended November 18, 2008; as amended December 16, 2008; as amended June 16, 2009 (effective July 1, 2009); as amended May 18, 2010; as amended April 16, 2013; as amended August 17, 2021 (effective September 1, 2021).