INAL DRAFT

9/08/1998

Approved
10/15/98

BYLAWS
OF THE
STORM WATER MANAGEMENT AUTHORITY, INC.

Section 1. Name. The name of this organization shall be the Storm Water Management Authority, Inc. ("Authority").

Section 2. Objectives and Purposes. The objectives and purposes of the Authority shall be to serve as a public corporation pursuant to Act No. 95-775, Legislature of Alabama 1995, as codified from time to time in the Code of Alabama §§ 11-89C-1 et seq. (the "Act"), and to assist the member governing bodies in carrying out implementation of the storm water laws and in undertaking the responsibilities of, and achieving and maintaining compliance with, the National Pollutant Discharge Elimination System ("NPDES") MS4 Permit ALS000001 (as the same may be hereafter extended, modified, or renewed, the "Permit") issued by the Alabama Department of Environmental Management ("ADEM"), and to do all things necessary or convenient to achieve such purposes.

Section 3. Membership. Membership in the Authority shall be open to each "governing body" as defined in the Act which elects to join the Authority, to abide by these Bylaws, and to be a co-permittee under the Permit.

Section 4. Board of Directors.

a. The business of the Authority shall be managed by its Board of Directors, consisting of one representative from each member governing body. The representative shall be the Mayor, if the member governing body is a governing body of a municipality, or a County Commissioner, if the member governing body is a governing body of a county.

b. The Board of Directors may hold its meetings and have one or more offices and keep the books of the Authority at such places within the boundaries of any member governing body as the Board may, from time to time, determine.

c. In addition to the powers and authorities by these Bylaws expressly conferred upon it, the Board of Directors may exercise all such powers of the Authority and do all such lawful acts and things as are by statute or by the certificate of incorporation granted to them.

d. No member of the Board of Directors shall receive compensation for his or her services rendered as a member of the Authority but each member shall be entitled to receive reimbursement for his or her reasonable actual expenses incurred in the performance of his or her duties as a member of the Board of Directors, which expenses are consistent with the budget, properly documented and approved by the Chair of the Board of Directors of the Authority. A maximum amount of expenses for each event or project for which a member of the Board of Directors seeks reimbursement shall be subject to the approval of the Chair of the Board of Directors in advance of such event or project, and the actual expenses shall also be subject to the approval of the Chair of the Board of Directors after they are incurred and before reimbursement of them is made.

e. Because under the Act each governing body is represented by a member who is a Mayor or County Commissioner, and because of the press of duties attending such elective office, and in order to prevent the Board of Directors from being unable to conduct its ordinary business when the conflicting and multiple duties of the members make their attendance at meetings difficult, any member of the Board of Directors may designate an

alternate to represent such member at meetings of the Board of Directors; provided, however, that such designation must be made separately for any given meeting, must be made in writing signed by the member so represented, and must state whether the alternate may vote at such meeting on items in the published agenda. Such designation shall be attached to the minutes of the meeting. An alternate with voting power shall be counted for purposes of determining a quorum, and may vote on agenda items, except that alternates may not vote on the adoption of Rules as defined herein. Where an alternate is authorized to cast a vote concerning amendment of Bylaws or election or removal of officers, the designation shall specify that the alternate is so authorized. An alternate may be another member or a non-member, but no person shall act as alternate for more than one (1) member at any given meeting. Also, in the event of absence or disability of a Mayor and consistent with Code of Alabama (1975) § 11-43-42, providing for the exercise of the functions of Mayor during a Mayor's absence or disability, the Mayor pro tempore or chairman pro tempore of a governing body may cast the vote of a governing body as provided in § 11-43-42.

f. It shall be the policy of the Authority to require and enforce ethical standards of conduct. Members of the Board of Directors, and employees of the Authority, shall comply with the code of ethics for public officials and employees set forth in Code of Alabama (1975) § 36-25-1 et seq., as amended from time to time, and rules and regulations promulgated thereunder. The Board of Directors shall require procedures consistent with § 36-25-1 with respect to matters including but not limited to reimbursement of expenses, and business dealings and contracts of the Authority.

Section 5. Meetings of the Board of Directors.

a. The annual meeting of the Board of Directors shall be held on the second Thursday in September of each year, to elect the Executive Committee and its officers in applicable years, to consider and approve the Authority's budget for the following fiscal year, and to receive the report of the Authority's activities for the current fiscal year. The semi-annual meeting of the Board of Directors shall be held on the second Thursday in March to review and approve the method of funding.

b. The Board of Directors shall elect five members as the Executive Committee. The Executive Committee shall include one member who is a County Commissioner from the largest county participating in the Authority, one member who is the Mayor of the largest city participating in the Authority, and three other members. The Board of Directors shall elect one member of the Executive Committee as Chair, one member as Co-Chair, and one member as Secretary. The Chair, Co-Chair, and Secretary of the Executive Committee shall also serve as the Chair, Co-Chair, and Secretary, respectively, of the Board of Directors. No alternate shall be designated for Executive Committee meetings.

c. Other regular meetings of the Board may be held without public notice (except as may be specifically required by statute) at such time and place as shall be determined from time to time by the Board. The Chair of the Board shall notify the members of the date, hour, and site for the meeting, in writing, not less than ten (10) days prior thereto.

d. Except as may be specifically required by statute, special meetings of the Board may be called by the Chair, or by any two members of the Board, on one day's notice to each member of the Board (if by facsimile, by phone, in person, or by written notice hand-delivered) or 72 hours notice if by U. S. Mail. If a member of the Board does not receive

such notice, but does attend the special meeting, his or her presence at the special meeting shall satisfy the notice requirement as to such member unless the sole purpose of his or her attendance at the meeting was to protest the manner in which (or purpose for which) it was called.

e. At all meetings of the Board, one-third of the members thereof or designated voting alternates (initially this number is eight) shall be necessary and sufficient to constitute a quorum for the transaction of business. The Chair may vote on all matters. The act of a majority of the Board present at any meeting at which there is a quorum shall be the act of the Board, except as otherwise provided in sections 7 and 13 hereof.

f. The Chair of the Board of Directors shall appoint a Nominating Committee from the members of the Board of Directors. The Nominating Committee shall make recommendations to the Board for the election of members to the Executive Committee, and for the election of officers thereof.

Section 6. Executive Committee. The Executive Committee of the Board shall oversee the executive and administrative functions of the Authority. The Executive Committee shall hold regular quarterly meetings on the second Thursday of March, June, September and December, as well as other meetings which may be called hereunder. The Chair may vote in meetings of the Executive Committee. Day-to-day management of the Authority shall be handled by the administrator of the Authority. The Executive Committee shall receive reports from time to time from the Chair and from the administrator concerning day-to-day operations of the Authority, including such matters as employment of personnel, coordination of activities connected with the Permit, maintenance of records, and provision of assistance to member governing bodies in connection with Permit compliance and related activities. The administrator

shall develop recommendations for action by the Executive Committee, and, on issues requiring Board action, for recommendation by the Executive Committee.

The terms of the members of the Executive Committee shall be three years, beginning on October 1 of the year in which elected to the Executive Committee, with staggered terms. To implement such staggered terms, from the date of election by the Board,

--The initial terms of the first Chair ("first member") and Co-Chair ("second member") of the Executive Committee shall be three years.

--The initial terms of the first Secretary ("third member") and the fourth member shall be two years.

--The initial term of the fifth member of the Executive Committee shall be one year. Upon expiration of each term, the Board of Directors shall receive recommendations from the Nominating Committee and shall elect new officers for the Executive Committee. Vacancies occurring in the Executive Committee shall be filled by the Board of Directors of the Authority.

Action may be taken by the Executive Committee without a meeting, provided all committee members are notified twenty-four (24) hours in advance of any polling or action and there is consent of a majority of the membership of the Executive Committee. Such consent shall be confirmed in writing within seventy-two (72) hours of such decision.

The Executive Committee shall report its activities and transactions at the next following regular meeting of the Board of Directors.

Without limiting the authority of the Executive Committee, said Committee shall have the following specific authority, with such additional authority as is necessary to implement the performance of the following activities:

a. To engage personnel or services deemed necessary to perform the function of the Authority, consistent with the approved budget, under such terms and conditions as it shall prescribe;

b. To organize the Board of Directors into such committees or other groups as will in its judgment serve to efficiently accomplish the purposes or ends for which the Authority was established and created under law (such committees may include, in an advisory capacity, persons other than members of the Board of Directors);

c. To designate such programs of study and research as will promote the purposes for which the Authority was established and created;

d. To publish such records, reports or findings, in writing, as may in its judgment be of use or value to the public or other interested party or parties;

e. At the annual meeting of the Board in each fiscal year, the Executive Committee shall provide a summary of the Authority's activities during the current calendar year;

f. To make application for and to accept on behalf of the Authority any funds, gifts, donations, assistance or governmental grants, under such conditions as it shall deem appropriate, not inconsistent with the power of the Authority, as prescribed by law;

g. To recommend, not later than the March quarterly meeting of each fiscal year, the proposed fee structure method and the approximate amount of revenue to be collected by the method selected, for the following fiscal year, and, no later than the June quarterly meeting of each year, the Authority's annual budget for the following fiscal year, in order that member governing bodies may adopt and transmit any revised instructions concerning

fees for the following fiscal year to the Tax Assessor and Tax Collector by no later than July 31 of the current fiscal year (as directed by the Tax Collector).

Matters not delegated to the Executive Committee, including election of officers, amendment of the Bylaws or Articles of Incorporation, rulemaking procedures, and approval of the annual budget, shall be determined by the Board of Directors.

Section 7. Rulemaking Procedures. As used herein, "Rule" shall have the meaning set forth in §11-89C -2(6) of the Act, as the same may be from time to time amended. As of the date of adoption of these Bylaws, "Rule" means any regulation or standard of general applicability of the Authority which prescribes or recommends law, procedure or policy to be adopted by the member governing bodies of the Authority, specifically including all pro forma ordinances, regulations, resolutions, rules, procedures or remedies for such member governing bodies. In development of any Rule of the Authority, or procedures for the enforcement of such, the Authority shall follow the procedures set forth in the Act in §11-89C-4(b), as the same may be from time to time amended. As of the date of adoption of these Bylaws, the Act requires that the Authority's procedures include all of the following:

a. Set a date and time for a public hearing and afford the public and interested parties an opportunity to offer written comments, and to present testimony and evidence in support of their respective positions as to the proposed resolutions, ordinances, remedies, or procedures, and to have counsel to represent them at their own expense. The Board of Directors shall consider fully all written and oral submissions presented. At the conclusion of the public hearing and any continuation thereof, the Board of Directors may modify or withdraw such proposals, or may adopt such pro forma resolutions, ordinances,

remedies, or procedures which are reasonable and supported by evidence from the proposal itself, the public comments submitted thereupon and the public hearing record and which shall be thereafter presented to the member governing bodies for their consideration. Adoption of any Rule shall require an affirmative vote of at least two thirds (2/3) (initially this number is sixteen) of the members of the Board of Directors. Upon adoption of a Rule, the Authority shall issue a statement reflecting the reasoning and evidence supporting adoption of the Rule and an explanation for rejecting the evidence or assertions made urging that the Rule be modified or not adopted.

b. Give notice of the hearing by publishing in a newspaper of general circulation published within the counties in which the member governing bodies exist, at least 30 days prior to the date of the hearing, stating the date, time and location of the hearing, and including either the terms or the substance of the proposals to be considered or a description of the subjects and issues involved, the address of the location where copies of the proposed resolution, ordinances, remedies and procedures may be inspected or copies thereof obtained, and the manner in which interested persons may present their views thereon. Every proposed Rule shall be accompanied by a thorough statement identifying and explaining the purpose and support for its adoption. The notice shall also be mailed to all persons who pay in advance the cost of the mailing and who have made timely request of the corporation in advance for advance notice of any such hearings.

c. Make available for public inspection and copying, at a charge of $.25/page or such amount as the Executive Committee may establish from time to time, any

such proposed resolutions, ordinances, remedies, and procedures at least thirty (30) days prior to the hearing.

Section 8. Officers. The officers of the Authority shall hold office until their successors are chosen and qualified in their stead. No member shall simultaneously hold than more than one office (Chair, Co-Chair, Secretary). Any officer elected or appointed by the Board may be removed at any time by the affirmative vote of two-thirds of the members of the Board. Their duties shall be as follows:

a. Chair. The Chair of the Executive Committee is also Chair of the Board of Directors. He/she shall preside at all meetings of the Board and see that all orders and recommendations of the Board are carried into effect. The Chair shall be available for the administrator to consult between meetings of the Executive Committee, in order to carry out the day-to-day management of the Authority. Decisions reached as a result of such consultation shall be reported to the Executive Committee at its next meeting. The Chair shall execute all contracts of the Authority. The Chair shall recommend appointments to all committees of the Authority, except the Executive Committee, subject to the approval of the Executive Committee. The Chair shall oversee or provide for recordation of minutes of all proceedings of the Board of Directors and Executive Committee in book(s) to be kept for that purpose. The Chair shall give, or cause to be given, notice of all meetings of the Board. The Chair shall also keep in safe custody the seal of the Authority and shall affix the same to any instrument requiring it and shall attest it. The Chair shall be the custodian of all funds of the Authority and shall withdraw and expend the same from time to time in accordance with the budget approved by the Board of Directors. He/she shall perform such other duties as may be prescribed by the Board.