

ORDINANCE NO. 18-2

**AN ORDINANCE APPROVING AND ADOPTING BYLAWS
FOR THE MORTON GROVE-NILES WATER COMMISSION**

WHEREAS, in 2017, the Morton Grove-Niles Water Commission (“MGNWC” or “Commission”) was established by the Village of Morton Grove, a home rule Illinois municipal corporation (“Morton Grove”), and the Village of Niles, a home rule Illinois municipal corporation (“Niles”), by the adoption of ordinances pursuant to Division 135 of Article 11 of the Illinois Municipal Code (65 ILCS 5/11-135-1, *et seq.*) (“Division 135”). The establishing ordinances are Morton Grove Ordinance 17-5, which was adopted on March 13, 2017, and Niles Ordinance No. 2017-19, which was adopted on March 14, 2017. In order to accomplish the objectives set forth in the above-referenced Ordinances, Morton Grove and Niles also approved under those same Ordinances an intergovernmental agreement entitled, “Intergovernmental Agreement For The Establishment And Operation Of The Morton Grove-Niles Water Commission And For The Purchase And Sale Of Water To The Commission For Commission Use And To Commission Wholesale Water Customers” (the “IGA”), to provide for the governance and operation of the MGNWC and to create the Board of Commissioners of the Morton Grove-Niles Water Commission (“MGNWC Board”) to govern the MGNWC; and

WHEREAS, the MGNWC is authorized, pursuant to State law and certain provisions of the IGA, to approve and adopt Bylaws.

WHEREAS, The Board of Commissioners of MGNWC finds that passage of this Ordinance, for purposes of approving and adopting the Bylaws attached hereto as Exhibit “A” is in the best interests of MGNWC.

BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF THE MORTON GROVE-NILES WATER COMMISSION, COOK COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 1: Each Whereas paragraph above is incorporated by reference into this Section 1 and made a part hereof as material and operative provisions of this Ordinance.

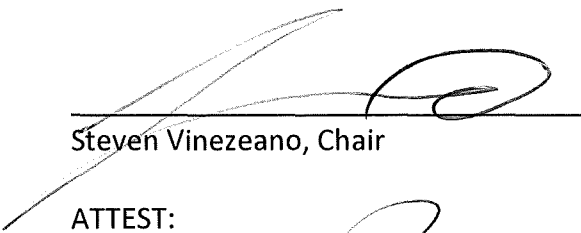
SECTION 2: The MGNWC Board approves and adopts Bylaws for the Morton Grove-Niles Water Commission, a copy of which is attached hereto as Exhibit “A” and made a part hereof.

SECTION 3: This Ordinance shall be in full force and effect from and after its adoption and approval as provided by law.

ADOPTED this 18th day of January 2018, pursuant to a roll call vote as follows:

AYES: John Pietron and Steven Vinezeano
NAYS: None
ABSENT: None (Cook County Appointee not appointed yet)

PASSED by the Board of Commissioners of the Morton Grove-Niles Water Commission, Cook County, Illinois on a roll call vote at a Special Meeting thereof held on the 18th day of January 2018, and approved by the Chair, and attested by the Clerk on the same day.



Steven Vinezeano, Chair

ATTEST:



John Pietron, Clerk

EXHIBIT A

RULES AND BYLAWS OF THE MORTON GROVE-NILES WATER COMMISSION

ARTICLE I.

MORTON GROVE-NILES WATER COMMISSION

The Morton Grove-Niles Water Commission ("MGNWC") is a unit of local government, duly organized under the provisions of Division 135 of Article 11 of the Illinois Municipal Code, as amended (the "Water Commission Law"), having the powers and authority set forth in the Water Commission Law and the Local Government Debt Reform Act of the State of Illinois, as amended (the "Debt Reform Act"). The Commission was formed by the Village of Morton Grove ("Morton Grove") and the Village of Niles ("Niles") pursuant to an Intergovernmental Agreement ("the IGA") approved by Morton Grove Ordinance 17-5, which was adopted on March 13, 2017, and Niles Ordinance No. 2017-19, which was adopted on March 14, 2017. The IGA provides for the governance and operation of the MGNWC and creates the Board of Commissioners of the Morton Grove-Niles Water Commission ("MGNWC Board"). These Rules and Bylaws are authorized by the IGA and adopted and approved by the MGNWC Board of Commissioners pursuant to Ordinance 18-02 on January 18, 2018.

ARTICLE II.

PURPOSES

The purposes of MGNWC is to acquire property and construct water transmission mains and facility improvements including new water main lines, pump stations and a water storage standpipe, and to rehabilitate certain existing water main lines to construct and to operate a public water supply system that connects the Villages of Morton Grove and Niles to the MGNWC's water supplier, the City of Evanston.

ARTICLE III.

MEMBERS

Section 1. Charter Members. The Charter Members of MGNWC are Morton Grove, a home rule Illinois municipal corporation and Niles, a home rule Illinois municipal corporation. Collectively Morton Grove and Niles are the "Members" or the "Villages"

Section 2. Additional Members. Upon approval of Morton Grove and Niles, a new Member may join the Commission ("Non-Charter Members") subject to terms and conditions set forth in an addendum to the IGA which shall include provisions for the allocation of all existing and future debts and liabilities of the Commission, payment to the Commission of a "non-refundable Capital and Operating Participation Fee" that relates to a portion of the Capital Costs incurred in the establishment of Commission and a portion of the ongoing Operating Costs of Commission that the new Member is obligated to contribute towards, and, if necessary, the payment of additional Capital Costs needed to update the Commission's Water System to allow for the service of the new Member and not diminish the existing service level of the other Members, as determined by the Board.

Section 3. Withdrawal by Charter Member. A Charter Member may, at any time upon mutual agreement with the other Charter Member, and after payment, prepayment or mutual agreement among the Charter Members regarding an alternative to payment, of all Bonds and Debt Instruments for which the MGNWC is responsible, in whole or part, give written notice of its intent to withdraw from the Commission. Upon withdrawal, the withdrawing Charter Member shall continue to be responsible for: (i): Its share of all Commission fees and costs, through the effective date of its withdrawal or the end of its allocated share of all Commission financial obligations including its share of all outstanding and future debt service payments for Bonds and Debt Instruments, (ii) any contractual obligations it has signed separately with the Commission; and (iii) any Recapture Fee, as determined by the Board with input from the Superintendent, any Commission-retained consultant and/or the Commission's auditor.

Section 4. Withdrawal by Non-Charter Member. A Charter Member may, at any time upon mutual agreement with the other Charter Member, and after payment, prepayment or mutual agreement by the Charter Members regarding an alternative to payment, of all Bonds and Debt Instruments for which the Non-Charter Member is responsible, in whole or part, give written notice of its intent to withdraw from the Commission. Upon withdrawal, the withdrawing Non-Charter Member shall continue to be responsible for: (i) its share of all Commission fees and costs through the effective date of its withdrawal or the end of its allocated share of all Commission financial obligations, including its share of all outstanding and future debt service payments for Bonds and Debt Instruments; (ii) any contractual obligations it has signed separately with the Commission; and (iii) the Recapture Fee, as determined by the Board with input from the Superintendent, any Commission-retained consultant and/or the Commission's auditor.

Section 5. Involuntary Withdrawal.

- A. A Non-Charter Member's participation in the Commission may be terminated upon a two-thirds (2/3rds) vote of the MGNWC Board for the following reasons: (i) the non-payment of any required fees, costs and other financial obligations including its share of all outstanding and future debt service payments for Bonds and Debt Instruments, within thirty (30) calendar days of written notice, if the non-payment is not timely resolved as provided for below, (ii) conduct by the Member or any of its employees, agents, contractors or representatives that violates any of the terms of the IGA, these Bylaws as allowed by its Water Supply Agreement or other applicable laws or governmental regulations, or (iii) non-compliance with or conduct by the Member or any of its employees, agents, contractors or representatives that violates any protocols, orders, directives of the Board, the Committee, the Superintendent, or industry standards or applicable laws or governmental regulations in regard to the operation of the Commission or the MGNWC System. Prior to taking a vote to terminate for an uncured default, the Board shall provide to the Member an opportunity to have its alleged default resolved. Withdrawal shall take effect immediately or on a date established by a vote of two-thirds (2/3rds) of the Board.
- B. Upon withdrawal, the withdrawing Member shall continue to be responsible for: (i) its

share of all Commission fees and costs and its allocated share of all Commission financial obligations required by the IGA for a one (1) year period commencing as of the date that the Board votes to terminate the membership of the Member; (ii) its share of all outstanding and future debt service payments for Bonds and Debt Instruments, (iii) any contractual obligations it has signed separately with the Commission; and (iv) the Recapture Fee.

Section 6. Transfer of Membership. Membership in MGNWC is not transferable or assignable.

ARTICLE IV. GOVERNING BOARD

Section 1. Pursuant to the Water Commission Law and the IGA, the MGNWC shall be governed by, and managed by, a Board of Commissioners (the "Board" or "Commissioners"). The Board shall determine the general policy of the Commission, shall approve the annual budget, shall make all appropriations (which may include appropriations made at any time in addition to those made in any annual appropriation document), shall approve all agreements for the purchase or sale of water, shall adopt any resolutions or ordinances providing for the issuance of Bonds or Debt Instruments (as those terms are defined herein) by the Commission, may amend these of Bylaws, or adopt administrative regulations, and shall discharge the duties, prescribed in the IGA, the Water Commission Law, and all other applicable federal, State, county and local laws, regulations and ordinances. The Board may create and provide direction to committees and subcommittees, as needed, and may create one or more management positions, as needed.

Section 2. Selection of Commissioners. The Commissioners shall be qualified, appointed, and serve such terms as set forth in the Water Commission Law. The Mayor or President or of each Member of the Commission, with the approval of the corporate authorities, shall appoint one (1) Commissioner to serve on the Board. Unless otherwise agreed to, in writing, by the Mayors or Presidents, the Parties shall appoint as their first commissioners their respective Village Administrator / Village Manager. The President of the Cook County Board, with the advice and consent of the Cook County Board shall appoint one (1) Commissioner to serve on the Board.

Section 3. Terms. The Commissioners shall serve for a term of six (6) years, or until their successors have been appointed and have qualified in the same manner as the original appointments, except that the Commissioners first appointed determined, by lot at their first meeting, that the respective Commissioner from Niles' terms shall be for two (2) years, the respective Commissioner from Morton Grove shall be for four (4) years and the respective Commissioner from Cook County shall be for six (6) years. Terms end on December 31 of the respective terminating year.

Section 4. Qualifications. Each Commissioner appointed by a Mayor or President of a Member shall be an elector or the chief administrator of the municipality The Commissioner appointed by the Cook County Board President shall be an elector of the Cook County. Any appointed Commissioner may be a member of the governing board or officer or employee of the

appointing municipality, or county. A Commissioner is eligible for reappointment upon the expiration of his/her term.

Section 5. Vacancy. A vacancy shall be filled for the balance of the unexpired term of the person who has ceased to hold office, in the same manner as the original appointment.

Section 6. No Compensation. The Commissioners shall not receive any compensation, except that a Commissioner may be reimbursed for actual, documented, budgeted business expenses relating to Commission business in accordance with any business expense policy adopted by the Board.

Section 7. Bond. Each Commissioner shall furnish a bond for the faithful performance of his/her official duties. This bond shall not be less than \$5,000 and its costs shall be paid by the Commission.

Section 8. Removal. Each Commissioner may be removed for any cause for which any other municipal officer may be removed.

Section 9. Prohibited Interests in Commission Contracts or Work. No Commissioner or employee of the Commission, and no Mayor or President or other member of the corporate authorities, or any employee of any of the municipalities or participating water commissions, shall be interested directly or indirectly in any contract or work or materials, or the profits thereof, or services to be performed for or by the Commission. A violation of any of the foregoing provisions of this section is a Class C misdemeanor (Illinois Criminal Code). A conviction is cause for the removal of a person from his/her office or employment. Nothing in this Section precludes the Commission from entering into an inter-government agreement with any participating municipality to provide technical or operational services with or without compensation nor precludes a municipality from providing its employee(s) additional compensation for providing services benefiting the Commission.

ARTICLE V. MEETING PROCEDURES

Section 1. All meetings of the MGNWC shall be conducted in full compliance with the Illinois Open Meetings Act ("OMA"), and in general accordance with the current edition of Robert's Rules of Order. The Chair shall act as arbiter of any disputes on points of order.

Section 2. No Board motion, resolution or ordinance concerning the subjects enumerated below shall be authorized and effective, except by the affirmative vote of no less than both Commissioners of the Charter Members: (i) Approval of individual agreements or a series of agreements related to a single Project in an amount in excess of Forty Thousand and No/100 Dollars (\$40,000.00); (ii) Setting of rates for the sale of Lake Water to Contract Customers; (iii) Borrowing funds or authorizing Bonds or Debt Instruments; (iv) Authorizing the exercise of eminent domain powers of the Commission; (v) Employment of a Superintendent or other employees of the Commission; (vi) Amendment of the Master Water Supply Agreement, or

such other agreement(s) for the supply of water into the System; (vii) Water Supply Agreements for Members and Water Supply Agreements for Service Customers; (viii) Adoption and amendments to any Bylaws or administrative regulations; (ix) Amendment to allocation formula or percentages within existing formulas for payment of the Start-Up Operating Costs, the Development Costs, the Fixed Costs, and the Operating and Maintenance Costs in Section 6(d) below; (x) Payment and amount of Extraordinary costs; (xi) Membership in the Commission for any proposed Non-Charter Member; and (xi) Approval of the annual Budget and Budget amendments.

Section 3. Except as set forth in Section 2 above, the concurrence of a majority of all of the appointed Commissioners shall be necessary for the passage of any ordinance or resolution, the incurring of any debt or financial obligation, or the approval of any payment; provided, however, that certain payments may be approved as otherwise provided in the IGA. All other action of the Board shall require the concurrence of a majority of those Commissioners present, provided there is a quorum. Every member of the Board who shall be present when a question is stated from the Chair shall vote thereon, unless excused by the Chair or unless he/she is directly interested in the question. Votes of "abstain," "pass" or "present," or a refusal to vote when present, shall be counted as concurring in the vote of the majority of those who did vote on the question. Proxy voting by absent Commissioners is not allowed. A Commissioner participating in a meeting via electronic means in accordance with a policy adopted by the Board pursuant to the OMA may vote on all matters.

ARTICLE VI. OFFICERS

Section 1. Officers. The officers of the Board shall be the Chair, Acting Chair, Chair Pro-Tem, Clerk, Treasurer and Secretary. All officers shall serve for a one (1) year term, beginning with the date of their election or appointment and ending when their successors have been properly elected or appointed, unless a shorter term is specified at the time of appointment, in which event the shorter term shall prevail.

Section 2. Chair. The Chair shall be elected by the Commissioners from their own number. The Chair shall: (i) perform those duties prescribed by applicable laws, the Board or the Commission, (ii) preside at all meetings of the Board, (iii) appoint the Treasurer and Secretary with the advice and consent of the other Commissioners, (iv) sign all ordinances, resolutions and other documents necessary to be signed on behalf of the Board or the Commission and shall execute all agreements entered into by the Commission, except such documents as the Board shall authorize to be signed or executed by the Superintendent, (v) have the power to vote in the same manner as the other Commissioners, (vi) and perform such other duties as may be prescribed by ordinance, the Water Commission Law or other applicable law or the IGA.

Section 3. Acting Chair. In the event of the Chair's absence or inability to act, the Commissioners shall elect from their number an Acting Chair, who shall, during such absence or inability to act, perform all duties and exercise all powers within the normal purview of the

Chair. The Acting Chair shall serve until the Chair's absence or inability to act shall terminate, or until such time as a new Chair is duly elected in accordance with these bylaws.

Section 4. Chair Pro-Tem. In the event of the temporary absence or inability of the Chair or Acting Chair to perform only those duties of the Chair at a Commission meeting, the Commissioners shall elect from their number in attendance a Chair Pro-Tem to serve as Chair of a meeting and to perform the duties and exercise the powers of the Chair at such meeting, including execution of ordinances, agreements and other documents approved or authorized at such meeting.

Section 5. Clerk. The Clerk shall be elected by the Commissioners from their own number. The Chair shall: (i) attest to all ordinances, resolutions and other documents necessary to be signed on behalf of the Board or the Commission and shall attest to all agreements entered into by the Commission, except such documents as the Board shall authorize to be signed or executed merely by the Superintendent, (ii) have the power to vote in the same manner as the other Commissioners, (iii) and perform such other duties as may be prescribed by ordinance, the Water Commission Law or other applicable law or the IGA.

Section 6. Secretary. The Secretary shall be appointed by the Chair, with the advice and consent of the other Commissioners. The Secretary does not have to be a member of the Board, and, in such case, would not have voting powers. The Secretary shall: (i) perform those duties prescribed by applicable laws, including the Open Meetings Act ("OMA") and the Freedom of Information Act ("FOIA"); (ii) serve as the OMA officer and FOIA officer; (iii) see that notice of each meeting has been given to each Commissioner at least forty-eight (48) hours prior to the call to order; (iv) see that public notice of the schedule of regular meetings is given at the beginning of each calendar year, such notice stating the dates, times and places of regular meetings; (v) see that public notice of any special meeting, rescheduled regular meeting or reconvened meeting is given at least forty-eight (48) hours prior to the call to order of any such meeting; (vi) see that an agenda for each meeting is prepared in advance for general distribution; (vii) record, publish and maintain a permanent record of the minutes of each Board and committee meeting; (viii) record the vote of each Commissioner on each ordinance, resolution or other proposition brought to a vote; (ix) maintain a central file of all correspondence and other documents and materials pertaining to the affairs of the Commission; and (x) perform such other duties as assigned by the Commission. The Superintendent may be appointed to the position of Secretary. The Secretary may receive compensation, as set by the Board, for performing the above duties, provided he/she is not a Commissioner or the Superintendent or a Commission employee.

Section 7. Treasurer. The Treasurer shall be appointed by the Chair, with the advice and consent of the other Commissioners. The Treasurer does not have to be a member of the Board, and, in such case, would not have voting powers. The Treasurer shall perform or cause to be performed the following: (i) those duties prescribed by statute, law or the Commission, (ii) receive and deposit all monies, (iii) prepare all checks and maintain a check register, (iv) reconcile the bank statements, (v) maintain a file of the orders for deposit of monies, (vi)

maintain all of his/her records at the office of the Commission, (vii) prepare an annual audit, (viii) prepare a monthly statement of receipts and disbursements, (ix) recommend a depositories to be selected by the Commission, (x) be responsible for the handling, care and investment of all deposits, investments or funds of the Commission, (xi) provide a bond in the amount of \$250,000 for the faithful discharge of the duties of the position of Treasurer, with such surety or sureties as the Board shall determine with the Commission paying the bond premium, (xii) and performed such other duties as shall be specifically prescribed from time to time by the Chair or the Commission. The Superintendent may be appointed to the position of Treasurer. The Treasurer may receive compensation, as set by the MGNWC Board, for performing the above duties, provided he/she is not a Commissioner or the Superintendent or a Commission employee. If approved by the MGNWC Board, the position of Treasurer may be filled by the Treasurer or Finance Director or any of their functional equivalents of the Charter Members or any Non-Charter Member.

ARTICLE VII.

EMPLOYMENT AND PERSONNEL

Section 1. Employment. The MGNWC may employ agents and employees, and may delegate by resolution, to one or more of its Commissioners or officers, such powers as it may deem proper. The MGNWC may borrow, lend and share employees with its Members and with other governmental agencies, when it is expedient for the Commission to do so. The terms regarding compensation to be paid to such employees will be set forth in an "employee sharing agreement" that memorializes the contractual arrangement, and the agreement shall be approved by the Commissioners and the other entity. All personnel rules applicable to any employee of the Commission shall continue to apply to such employee if the employee is assigned to perform services for another public agency or a Member pursuant to the IGA or any other intergovernmental agreement.

Section 2. The Administrative Staff. The "Administrative Staff" shall consist of a Superintendent and General Counsel and such other supervisory, administrative and operating personnel as may from time to time be employed or retained by the Commission, or required by the Water Commission Law. The supervisory or managerial level personnel who are part of the Administrative Staff shall serve at the pleasure of the Board and may be removed with or without cause by the Board.

Section 3. Superintendent.

- A. Appointment. The Board may appoint a full-time or part-time Superintendent. The Superintendent shall be appointed for an indefinite term and solely on the basis of the administrative and executive qualifications, with special weight given to actual experience in or knowledge of acceptable practice relating to the duties of the position as hereinafter set forth. No Commissioner or Operations Committee Member shall be appointed as Superintendent while serving as a Commissioner or a Committee Member. In the event of the Superintendent's absence or inability to act, the Chair or his/her designee may perform the duties of the Superintendent during such absence or inability. The Superintendent shall serve at the pleasure of the Board and may be

removed with or without cause by the Board. The action of the Board in removing the Superintendent shall be final.

- B. Duties. The Superintendent shall be the Chief Administrative Officer of the Commission and shall be responsible for the efficient administration and management of the Commission. The duties of the Superintendent shall include, but are not necessarily limited to, the following: (i) administrative responsibility for the organization, acquisition, construction, operation and maintenance of the water supply system of the Commission; (ii) enforcing the Ordinances, Resolutions, policy directives, Bylaws (as appropriate) and administrative regulations of the Commission; (iii) supervising all Administrative Staff and consultants of the Commission; and hiring (subject to budgetary constraints), firing and disciplining non-managerial, non-supervisory and non-professional personnel; (iv) in consultation with the Secretary, preparing an agenda for each Board and Committee meeting in advance of the meeting for general distribution; (v) attending all Board and Committee meetings unless excused therefrom; (vi) attending any Board and Committee meetings at which his / her attendance has been requested; (vii) attending relevant meetings of the Members if so requested; (viii) recommending policies, plans and procedures for the organization, construction, acquisition, operation and maintenance of the water supply system of the Commission; (ix) purchasing materials and services and approving change orders less than Two Thousand Five Hundred and No/100 Dollars (\$2,500.00) in value (all other purchases and changes orders shall be approved by the Board). Purchase orders, invoices or change orders for materials or services shall be not be prepared or adjusted to avoid exceeding the Two Thousand Five Hundred and No/100 Dollars (\$2,500.00) limitation above; (x) in consultation with the Treasurer, preparing all checks and maintaining a check register, a monthly statement of receipts and disbursements, and reconciling bank statements on a regular basis; (xi) preparing an annual budget; (xii) maintaining a central file of all correspondence and other documents and materials pertaining to the affairs of the Commission; (xiii) preparing and presenting to the Board and the Operations Committee for consideration and approval such administrative regulations as may be necessary and appropriate; (xiv) representing the Commission before conferences, professional associations or relevant public hearings when requested by the Board to do so; (xv) executing all contracts and other agreements and documents duly authorized to be signed on behalf of the Commission, except such contracts and other agreements and documents as may be required to be signed by the Chair or some other officer of the Commission; and (xvi) and (xvi) assuring compliance with the OMA and FOIA and the forwarding of Board and Committee meeting minutes to the Members.

Section 4. General Counsel. The General Counsel shall be appointed by the Board for an indefinite term, and shall be chosen by the Commissioners solely on the basis of his/her professional qualifications, with special reference to his/her actual experience in or his/her knowledge of acceptable practice relating to the duties of his/her office as hereinafter set forth. The General Counsel may be removed by the Board at any time. The General Counsel: (i) shall

perform those duties prescribed by statute, law or the Commission; (ii) shall advise the Commission, the Superintendent and the Commission's staff on legal matters; (iii) shall prepare and draft ordinances, resolutions and legal documents, and render legal opinions when requested by the Chair or the Commission on all matters concerning the interests of the Commission; (iv) shall attend Commission meetings when required; (v) shall make reports from time to time and otherwise perform such other duties or special services which the Commission may require; and (vi) shall direct litigation, represent the Commission in all legal matters, except in cases where a special counsel has been appointed by the Commission to advise or represent the Commission on special matters or to assist the General Counsel on a particular legal matter.

ARTICLE VIII. FINANCES AND PROPERTY

Section 1. Financial Reports and Warrant List. The Treasurer shall provide to the Board, the Operations Board and the Superintendent a written financial report of current and projected revenues and expenses for the current budget year and a monthly warrant list of issued checks and pending checks for approval by the Board. The frequency of financial reports and the level of detail contained in the financial reports shall be determined by the Board.

Section 2. Financial Operations. All other necessary financial operations, including but not limited to accounting, accounts payable, and payroll, shall be either outsourced to a third-party contractor or handled by the Treasurer or by a designated Commission employee approved by the Board, with input by the Treasurer and the Superintendent.

Section 3. Funds on Deposit. All monies received by the Commission shall be deposited into one or more bank accounts at one or more banks licensed to do business in Illinois, as designated by the Board. Expenditures from these bank accounts shall be for budgeted items and/or allowable public purposes in accordance with applicable law and in furtherance of the objectives of this Agreement, subject to an appropriate budget amendment, and shall be authorized by the Board or the Superintendent consistent with his/her limited spending authority.

Section 4. Procurement Policy. Purchases and/or letting contracts shall be done in accordance with the IGA, applicable laws, and any procurement policy and guidelines adopted by the Board.

Section 5. Authorized Signatories. The following positions shall serve as authorized check and financial instrument signatories at each of the banks, title or trust companies, depositories and/or other financial institutions at which the Commission maintains accounts: (i) Chair; (ii) Treasurer; (iii) Secretary; and (iv) Superintendent (if any). There shall be a "two signatory requirement" policy for authorizing any transfer and withdrawal of Commission funds or executing any checks or other instruments that draw Commission funds out of any bank, title or trust companies, depositories or other financial institution at which the Commission maintains financial accounts. Any two (2) of the above-listed, authorized signatories may sign

such checks or instruments or direct such transfers and withdrawals as approved by the Board. The Treasurer shall distribute copies of all signed checks for review by the Board as part of a monthly or quarterly finance report.

Section 6. Contract Signatories. The Commissioners may authorize, by motion, resolution or ordinance, and approve at a public meeting, any officer or agent other than the Chair and the Secretary to enter into and execute any contract or execute and deliver any instrument in the name of and on behalf of the Commissioners; such authority may be general or confined to specific Board-approved instances.

Section 7. Loans. No loans shall be procured on behalf of the Commissioners and no evidence of indebtedness shall be issued in its name unless authorized by a written resolution or ordinance of the Commission and in accordance with applicable law. Such authority may be general or confined to specific Board-approved instances.

Section 8. Financial Matters and Fiscal Policies. In addition to the following regulations, the Board may establish fiscal policies, procedures and limitations as may be necessary to preserve the integrity and purpose of the approved annual budget and related expenditures:

**ARTICLE IX.
INDEMNIFICATION**

To the fullest extent permitted by law, the Commission shall indemnify, defend and hold harmless any person who was or is made a party to a pending or completed action, suit or proceeding by reason of the fact that he/she is or was an appointed or designated representative (e.g. Commissioner, Chair, Clerk, Treasurer, Secretary, Superintendent, General Counsel, etc.), liaison, director, officer, committee member, employee, volunteer or agent of the Commission, against and from any expenses (including reasonable attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, if he/she acted in good faith on behalf of the interests of the Commission. The determination of whether an individual acted in good faith on behalf of the interests of the Commission shall be made by a majority vote of a quorum of the Board. This indemnification shall not apply to punitive damages or if indemnification would otherwise be prohibited by law.

**ARTICLE X.
GENERAL PROVISIONS**

Section 1. Records. MGNWC, or its fiscal agent, shall keep correct and complete books and records of account and of its proceedings. The records of MGNWC shall be public records and shall be made available to the public as provided in Illinois Freedom of Information Act ("FOIA") and shall be maintained by the Clerk, and kept at the official offices of the MGNWC.

Section 2. Fiscal Year. The fiscal year of MGNWC shall begin on January 1 and end on the last day of December in each year.

Section 3. Seal. MGNWC shall have no seal.

Section 4. Amendment. These Bylaws may be amended at any regularly scheduled meeting by an affirmative vote of the majority of the Commissioner present including the affirmative vote of both Commissioners of the Charter Members.

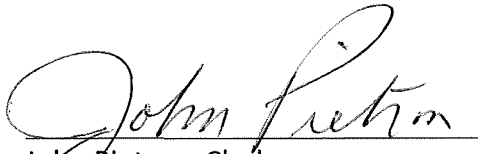
CLERK'S CERTIFICATION

I, John Pietron, certify that I am the duly appointed, qualified Clerk of the Morton Grove-Niles Water Commission. I do further certify that the above and foregoing, identified as Ordinance Number 18-2, is a true, complete and correct copy of a Resolution otherwise identified as:

**AN ORDINANCE APPROVING AND ADOPTING BYLAWS
FOR THE MORTON GROVE-NILES WATER COMMISSION**

Which Ordinance was passed by the Morton Grove-Niles Water Commission on the 18th day of January 2018, the original of which is part of the books and records within my control as Clerk of the Morton Grove-Niles Water Commission.

Dated this the 18th day of January 2018



John Pietron, Clerk
Morton Grove-Niles Water Commission