

Michigan Water Environment Association

STATEMENTS OF POLICY

March 3, 2022



TABLE OF CONTENTS

- 1. Introduction 6
- 2. Governance Policies - Board of Directors 7
 - 2.1 Bonding and Liability7
 - 2.2 Board of Directors Conduct.....7
 - 2.3 Board Meetings8
 - 2.4 Voting Procedures8
 - 2.5 Electronic Voting8
 - 2.6 Board Member Functions and Duties9
 - 2.6.1 President9
 - 2.6.2 President-Elect10
 - 2.6.3 Vice-President.....10
 - 2.6.4 Treasurer10
 - 2.6.5 Secretary11
 - 2.6.6 Past-President.....11
 - 2.6.7 Federation Delegates11
 - 2.6.8 Association Directors11
 - 2.7 Board Member Vacancies11
 - 2.8 Request for Board Action.....12
- 3. Governance Policies - Committees..... 13
 - 3.1 General.....13
 - 3.2 Establishment of Standing Committees13
 - 3.3 Establishment of Ad Hoc Committees13
 - 3.4 Charter Review13
 - 3.5 Public Communications13
 - 3.6 Limits of Authority14
 - 3.7 Liaisons.....14
 - 3.8 Joint Meetings14
 - 3.9 Committee Chair Selection14
 - 3.10 Committee Chair Term14
 - 3.11 Succession of Leadership14
 - 3.12 Information and Support to the Board15
 - 3.13 Committee Chair Handbook.....15
 - 3.14 Annual Budget.....15
 - 3.15 Interagency Cooperation15
- 4. Governance Policies – Local Sections 16
 - 4.1 General.....16
 - 4.2 Establishment of Local Sections.....16
 - 4.3 Local Section Governance16
 - 4.4 Activities and Reporting17
 - 4.5 Public Communications17
 - 4.6 Limits of Authority17

4.7	Liaisons.....	17
4.8	Financial Requirements of Local Sections	17
4.8.1	Banking Requirements	17
4.8.2	Financial Reporting Requirements.....	18
4.8.3	Additional Financial Requirements	18
5.	Delegation Policies - Executive Committee	19
5.1	Empowerment of the Executive Committee	19
5.2	Controlling Authority	19
5.3	Executive Committee Members	19
5.4	Executive Committee Role	19
5.5	Financial Planning and Budgeting	20
5.6	Contractual and Financial Transaction Authority.....	20
5.7	Information and Support to the Board	20
6.	Delegation Policies - Executive Director	21
6.1	Empowerment of the Executive Director.....	21
6.2	Controlling Authority	21
6.3	Management Roles.....	22
6.4	Monitoring Performance of the Executive Director	22
6.5	Executive Director Performance Planning and Evaluation	23
6.6	Boundaries of Executive Director Authority.....	23
6.7	Succession of Leadership.....	23
6.8	Information and Support to the Board	24
6.9	Strategic and Business Planning	24
6.10	Employee Interests	25
6.11	Organization and Staffing	25
6.12	Financial Planning and Budgeting	26
6.13	Financial Condition and Transactions.....	26
6.14	Contractual and Financial Transaction Authority.....	27
6.15	Protection of Assets.....	27
6.16	External Communications.....	27
6.17	Member Interests.....	28
6.18	Agenda Planning.....	28
6.19	Meeting Minutes	30
7.	Results Policies - Financial.....	31
7.1	Investment.....	31
7.1.1	General	31
7.1.2	Prudence	31
7.1.3	Objectives.....	31
7.1.4	Authorized Investments	32
7.1.5	Safekeeping and Custody	32
7.1.6	Internal Controls	32
7.2	Reserves	33
7.3	Capitalization	34
7.4	Reimbursement.....	35

7.4.1	General	35
7.4.2	Reimbursement for Board Member and Executive Director Expenses	35
7.4.3	Reimbursement of Travel Expenses for Non-Board Members	35
7.4.4	Reimbursement of Executive Director Expenses	35
7.4.5	Reimbursement of Association Staff.....	36
7.4.6	Reimbursement of Committee Expenses	36
7.4.7	Reasonable Expenses.....	36
7.4.8	Reimbursement Requests	37
7.4.9	Schedule of Reimbursement for Travel/Meetings.....	37
8.	Results Policies – Association Business.....	38
8.1	Member Code of Conduct.....	38
8.2	Membership Classes and Dues	38
8.2.1	WEF Membership Classes.....	38
8.2.2	Association Membership Classes.....	38
8.2.3	Certification of Membership.....	39
8.2.4	Setting of Dues.....	40
8.2.4	Payment of Dues	40
8.2.5	Arrears	40
8.3	Consumption of Alcoholic Beverages	40
8.4	Partnering Activities.....	41
8.5	Annual Conference	41
8.5.1	Notification.....	41
8.5.2	Planning and Implementation.....	41
8.5.3	Deviations.....	41
8.5.4	WEF Representation	42
8.5.5	Advertising.....	42
8.6	Awards	42
8.7	Publications	43
8.7.1	Magazine.....	43
8.7.2	Website.....	44
8.8	Legislative Policy.....	45
8.8.1	Guiding Principles.....	45
8.8.2	Procedures	46
8.9	Scholarships	48
8.9.1	Available Scholarships.....	48
8.9.2	Applicant Eligibility Criteria.....	49
8.9.3	Application Requirements	49
8.9.4	Application Evaluation	49
9.	Management Policies.....	50
9.1	Discrimination	50
9.2	Conflict of Interest	50
9.3	Antitrust	50
9.3.1	General	50
9.3.2	Automatically Unlawful Joint Conduct.....	51
9.3.3	Guidelines for Association Meetings and Events.....	51
9.4	Whistleblower.....	53
9.4.1	Reporting Responsibility.....	53

9.4.2	No Retaliation	53
9.4.3	Reporting Violations	53
9.4.4	Compliance Officer	53
9.4.5	Accounting and Auditing Matters.....	54
9.4.6	Acting in Good Faith	54
9.4.7	Confidentiality.....	54
9.4.8	Handling of Reported Violations	54

1. INTRODUCTION

These Statements of Policy have been adopted by the Board of Directors of the MWEA (the “Board”) to supplement the MWEA Bylaws and to serve as administrative policies for the Board, the Executive Committee, the Executive Director, MWEA staff, committees, Local Sections, and MWEA members.

These policies shall remain in effect until amended in whole or in part by majority vote of a quorum of the Board at a regularly scheduled meeting.

It is the Board’s intent that the requirements established by these Statements of Policy shall be consistent with the provisions of the MWEA Bylaws. If the Board determines that there is a conflict between the Statements of Policy and the MWEA Bylaws, the Bylaws shall supersede and control the Statements of Policy.

2. GOVERNANCE POLICIES - BOARD OF DIRECTORS

2.1 Bonding and Liability

A Directors and Officers insurance policy covering the Board's liability shall be provided at the first Board Meeting of each new term. Each Board member is obligated to review and understand the insurance policy. The insurance policy shall also be made available for review at the MWEA office. Board Members are required to abide by limitations of the policy.

The Treasurer with input from the Board and/or Executive Director will annually evaluate the necessity for bonding of certain board members and staff and is authorized to provide such bonding as necessary to adequately protect Association assets.

2.2 Board of Directors Conduct

The Board of Directors commits itself and its individual members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate professional and personal behavior. More specifically:

- The Board of Directors must, at all times, represent the interests of MWEA, and its members. This accountability supersedes any conflicting loyalty such as advocacy to a personal cause or interest groups, membership on other boards, or employment in other organizations.
- The Board of Directors' interactions with the Executive Director, staff, and advisors must clearly reflect that there is no authority vested in individual Board Members, except when explicitly authorized by action of the Board.
- The Board of Directors' interactions with public, media, or other external entities must clearly reflect that there is no authority vested in individual Board Members, except when explicitly authorized by action of the Board. No individual Board Member (other than the President) may speak for the Board except to repeat explicitly stated Board decisions.
- Board Members are expected to bring to the attention of the Board President any concerns about MWEA's policy direction, the Board's or management's compliance with Board policy, or the conduct of any Board Member, management, or staff employee. If the Board President does not address the concern to the Board's satisfaction, the Board President may bring the matter to the full Board as an agenda item for discussion and deliberation.
- The Board of Directors will refrain from making individual public comments about MWEA unless such comments are supported by relevant, timely, accurate, and objectively reported information.
- Individual Board members will never lead the public, media, or MWEA staff to have the belief that the Executive Director or any MWEA staff member is out of compliance with the Board's policies unless the Board has publicly announced a formal determination of non-

compliance.

- The Board of Directors will respect the confidentiality appropriate to issues and information of a sensitive nature.
- The Board of Directors will properly prepare for Board meetings.

2.3 Board Meetings

Meetings of the Board of Directors shall be held as provided by the Bylaws. A schedule of regular Board meetings shall be developed by the Executive Director within 30 days following Annual Conference. The schedule will be distributed to Board members and approved at the first Board meeting following Annual Conference. Following approval, the schedule shall be made available to the general membership through the Association's website.

The President or a majority of the Board may call a special meeting of the Board of Directors as deemed necessary. The time and place for a special meeting shall be posted on the Association's website a minimum of five working days prior to the meeting. A shorter notification time shall be permitted if agreed upon by a majority of the Board or in the case of an emergency meeting.

The President may declare an emergency and call a meeting of the Board of Directors with a minimum of 24 hours of notice, provided an attempt is made by the President to notify all members of the Board and a majority of the Board is available to attend. Any member of the Board may raise an objection to the declaration of an emergency, in which case, the rules for calling a special meeting shall govern.

Working in coordination with the Executive Director, the President shall ensure that all members of the Board shall be notified of the time and place of all Board of Directors meetings.

2.4 Voting Procedures

Votes of the Board shall be conducted as provided by the Bylaws. Voting by email or teleconference shall follow the Electronic Voting Policy.

2.5 Electronic Voting

This policy shall apply to all electronic votes made by the Board of Directors or the Executive Committee (EC). Except as otherwise provided by this policy, Board and EC votes shall be subject to all applicable requirements of the Bylaws and Statements of Policy governing quorums, votes, and other related matters. Electronic votes shall be by email and should only be used when a decision on an issue is needed before the next scheduled meeting.

At their discretion, the President may call for an electronic vote of the Board of Directors or EC. If a vote by email is requested, the President or the Board/EC member requesting the vote shall prepare a proposed motion along with a description of the topic and relevant background information. The proposed motion and accompanying information shall be emailed by the President to all Board/EC members for review and discussion. Members making comments

must respond to “all” when making the comments.

If the motion receives a “second,” there will be a period of 24 hours available for discussion. This discussion will occur via email as well unless there is substantial discussion required, in which case, a conference call may be requested. After the 24 hours has ended, the President will officially seek a vote from all Board Members. The President shall include any amendments as needed.

Board/EC members shall have [two] calendar days to vote (yes or no) and shall email their responses back to the President. For an electronic vote to pass, all Board/EC members voting must unanimously approve the decision. Board/EC members failing to return the email vote prior to the voting deadline will be recorded as absent.

The Secretary or their designee shall record the results of the vote and report the results to the Board/EC. The results of the email vote along with copy of the motion and summary of any discussion leading up to the vote shall be compiled by the Secretary and be included on the consent agenda for approval at the next scheduled Board/EC meeting.

If there is opposition to the subject or topic of a proposed email vote, or if Board/EC members require further discussion, the President may schedule a special or emergency meeting, as time allows, to discuss and vote on the issue. Voting for such meeting shall be subject to all typical requirements of the Bylaws and Statements of Policy governing quorums, votes, and other related matters.

2.6 Board Member Functions and Duties

The authorities, fiduciary responsibilities, functions and duties of the members of the Board of Directors are set forth in the MWEA Bylaws. Board member terms shall be as defined in the Bylaws. Additional functions and duties of specific Board members, if any, are noted below, as follows:

2.6.1 President

- Establish annual Board goals that align with the MWEA Strategic Plan and facilitate implementation of said goals during term as President.
- Represent MWEA and serve as MWEA’s official spokesperson on matters of principle, policy, and purpose.
- Preside at all business and general meetings of MWEA and meetings of the Board and the Executive Committee. Preside over the Annual Business meeting and votes scheduled for member approval.
- Call such meetings of the Board and the Executive Committee as may be necessary.
- Review and approve committee chairs recommended by others.
- With the assistance of the Treasurer and the Executive Director, ensure that an annual budget is submitted to the Board for approval, subject to any requirements that the Board may impose in the Statements of Policy.
- With the assistance of the President-Elect and Vice-President, conduct an annual performance review of the Executive Director, and meet with the Executive Director to discuss the review and determine goals for the following year.
- Assign Board Members to serve as liaisons to committees and local sections.

- May elect to form Ad Hoc Committees.
- Perform such other duties as provided in the Bylaws, the Statements of Policy, or as may be assigned by the Board.

2.6.2 President-Elect

- Act for the President in the President's absence.
- Serve as chair of the Annual Conference Committee and co-lead of the Annual Conference Program Development subcommittee.
- Assist the President in an annual performance review of the Executive Director.
- Perform such other duties as provided in the Bylaws, the Statements of Policy, and as may be assigned by the Board.

2.6.3 Vice-President

- Act for the President in absence of the President and President-Elect.
- Serve on the Annual Conference Committee.
- Serve as co-lead of the Annual Conference Program Development subcommittee.
- Serve as lead of the Annual Conference Time and Place Selection subcommittee.
- Assist the President and President-Elect in an annual performance review of the Executive Director.
- Perform such other duties as provided in the Bylaws, the Statements of Policy, or as may be assigned by the Board.

2.6.4 Treasurer

- Designated as the Association's Chief Financial Officer (CFO).
- As CFO, the Treasurer may:
 - Financially obligate the Association
 - Sign contracts for goods, services, facilities, etc.
 - Authorize any expenditure of Association funds.
 - Be an additional signer on checks for payment of MWEA bills.
 - Determine a working capital balance.
 - Oversee and manage investments of MWEA in accordance with the Investment Policy.
- Provide fiscal and financial consultation to the Executive Director.
- Provide Treasurer's reports at Board meetings and the Annual Business Meeting.
- Oversee financial interactions of the Association including monthly review of all Association financial transactions
- With the assistance of the President and the Executive Director, ensure that an annual budget is submitted to the Board for approval, subject to any requirements that the Board may impose in the Statements of Policy.
- Participate in annual audit of financial records.
- Perform such other duties as provided in the Bylaws, the Statements of Policy, or as may be assigned by the Board.

2.6.5 Secretary

- Serve as chair of the Bylaws Committee.
- Counsel the Board of Directors as to points of order and the requirements provided by the Bylaws.
- Assure the accurate development of minutes for all Board meetings (including the Annual Business Meeting) and distribution of minutes to the Board.
- Assure the accurate development of meeting summaries at Executive Committee meetings and distribution to the Board.
- At the Annual Business Meeting, conduct a vote of Association members on any proposed changes to the Bylaws, and conduct other Annual Business Meeting activities as related to the office of Secretary or as may be directed by the President.
- Perform such other duties provided in the Bylaws, the Statements of Policy, or as may be assigned by the Board.

2.6.6 Past-President

- Shall serve as chair of the Nominations Committee.
- Perform such other duties provided in the Bylaws, the Statements of Policy, or as may be assigned by the Board.

2.6.7 Federation Delegates

- The more senior serving Federation Delegate shall serve as host to the WEF representative during Annual Conference.
- Serve as representatives of MWEA on the WEF House of Delegates and keep the Board of Directors advised of all activities of WEF.
- Develop, with the concurrence of the Board, a plan to effectively represent MWEA regarding WEF activities.
- Perform such other duties as provided in the Bylaws, the Statements of Policy, or as may be assigned by the Board.

2.6.8 Association Directors

- The Senior Association Director shall serve as the vice-chair of the Annual Conference Committee.
- Lead the Annual Conference Awards Subcommittee.
- Present MWEA Awards at the Annual Conference.
- Responsible for planning and implementing the Leadership Retreat.
- Perform such other duties as provided in the Bylaws, the Statements of Policy, or as may be assigned by the Board.

2.7 Board Member Vacancies

Upon completion of the President's or the President-Elect's term, or upon adoption of a motion by the Board declaring that a vacancy exists in either the President or President-Elect position, there shall be automatic advancement from President-Elect to President and from Vice-President to President-Elect.

In the case of a mid-term vacancy of a Board position other than the President or President-Elect, the Board shall elect by majority vote an eligible candidate to fill the vacancy until the next Annual Business Meeting.

2.8 Request for Board Action

Any member of the Association may request action of the Board through submittal of a completed Recommended Action Report (RAR) form. The current RAR form is maintained on the Association website.

The RAR shall be submitted to the President and Executive Director for inclusion on the agenda of an upcoming Board meeting.

3. GOVERNANCE POLICIES - COMMITTEES

3.1 General

With these Governance policies, the Board establishes and communicates its purposes and the means by which it creates and empowers committees to assist MWEA in its work. These policies apply to all committees whether or not the group includes Board members.

3.2 Establishment of Standing Committees

Standing Committees are established by the Board to help the Association in achieving its strategic plan. These committees ordinarily assist the Association in three specific ways: (1) preparing and delivering educational content and training to membership; (2) providing outreach to associated agencies, associations, and membership; and (3) researching issues critical to membership and providing recommended Board actions in support of membership on those issues.

When the Board establishes a Standing Committee, it will approve a written charter that sets forth the purpose, expected outcomes and any other information needed for the committee to function successfully.

3.3 Establishment of Ad Hoc Committees

Ad hoc committees may be established by the President for the purposes of: (1) Performing research or investigating specific issues relevant to the Association; (2) Providing guidance on new policies or operational practices; (3) Assisting the Board with administering and managing special functions or events; or (4) Serving the Board on any other similar function that is limited in scope and duration. An ad hoc committee shall have no budget other than that which may be granted directly by the Board. Ad hoc committees shall report to the President and shall sunset after a period of one year unless re-authorized by the President.

When the President establishes an Ad Hoc Committee, they will approve a written charter that sets forth the purpose, duration, expected outcomes and any other information needed for the committee to function successfully.

3.4 Charter Review

The Board will regularly review the charter and performance of each committee to determine if changes are required or if the committee is still required.

3.5 Public Communications

Committees may not speak for the Association except when formally given such authority for specific and time-limited purposes.

3.6 Limits of Authority

Committees cannot exercise authority over the Executive Director and staff. Authority over the Executive Director resides solely with the Board of Directors.

3.7 Liaisons

Each committee shall be assigned a liaison between the committee and the Board of Directors. Liaison assignments will be made annually by the President at the first regular Board of Directors meeting following Annual Conference.

3.8 Joint Meetings

There shall be at least two joint meetings per year of all the committee chairs with the Board of Directors to communicate the duties and responsibilities to the committee chairs. The first meeting, chaired by the President shall be held during the Annual Conference to introduce chairpersons to operating procedures and to conduct committee business. The second meeting (Leadership Retreat), chaired by the Association Directors shall be held to provide leadership training, coordinate committee activities, discuss the Strategic Plan, and discuss other business as needed.

3.9 Committee Chair Selection

Committee Chair Selection shall be subject to the following:

1. Committee Chairs shall be eligible voting members of MWEA.
2. All committee chair recommendations shall be reviewed and approved by the Executive Committee.
3. If a committee does not have a chair, or the chair is vacated with no recommendation forthcoming, the Executive Committee shall appoint a chair, subject to a term and any other conditions as specified by the Executive Committee.

3.10 Committee Chair Term

A member may not chair the same committee more than three consecutive years unless a longer term is approved by the Executive Committee.

3.11 Succession of Leadership

To prepare for continuity of leadership, the Committee Chair shall:

1. Keep their liaison informed about their availability to perform the duties of Committee Chair.
2. Develop and maintain any committee specific policies, procedures and/or notes in a manner that is easily transferrable to future Committee Chairs.
3. Have the right to appoint a Vice Chair and/or other committee representatives from the committee membership, as may be required to complete the committee's work and/or

assist in succession planning of the Committee Chair position. Notwithstanding this policy, the Executive Committee retains full authority and responsibility for approving new Committee Chairs.

3.12 Information and Support to the Board

The Committee Chairs shall not permit the Board to be uninformed of committee work. Consistent with this general statement, Committee Chairs shall not:

1. Neglect to submit timely, accurate, and understandable status updates and strategic reviews required by the Board.
2. Fail to bring to the Board, in support of the Board's deliberations and decision-making, recommendation(s) of the committee(s), the rationale for those recommendations, and the process by which those recommendations were developed.

3.13 Committee Chair Handbook

MWEA shall maintain a Committee Chair Handbook that will provide guidance to the many volunteer chairpersons and their fellow committee members. The Executive Director shall ensure that an up-to-date copy of the Handbook is available on the website and hard copies are made available to Committee Chairs upon request.

3.14 Annual Budget

Committees are required to submit budgets annually upon request of the Executive Director for review by the Board of Directors. Budgets may be adjusted at the discretion of the Board of Directors. All committee activities are governed by and subject to the approval of the Board of Directors, which retains the ultimate discretion to fund any activity.

3.15 Interagency Cooperation

Committees should consider opportunities to cooperate with other organizations to present activities mutually beneficial to MWEA and the other organizations and within the scope of MWEA tax-exempt purpose.

4. GOVERNANCE POLICIES – LOCAL SECTIONS

4.1 General

With these Governance policies, the Board establishes and communicates its purposes and the means by which it creates and empowers Local Sections to assist MWEA in its work. These policies apply to all Local Sections.

4.2 Establishment of Local Sections

MWEA conducts some of its activities through geographically defined Local Sections whose common mission is to provide education to members of the water environment community. The sections are encouraged to help grow the Association through development of regional meetings. Official boundaries of MWEA Local Sections are as follows:

- Section 1 - Counties of Berrien, Cass and Van Buren.
- Section 2 - Counties of Allegan, Barry, Kalamazoo, Calhoun, St. Joseph and Branch.
- Section 4 - Counties of Jackson, Washtenaw, Hillsdale, Lenawee and Monroe.
- Section 5 - Counties of St. Clair, Macomb, Oakland and Wayne.
- Section 7 - Counties of Gratiot, Clinton, Montcalm, Shiawassee, Eaton, Ingham, Ionia and Livingston.
- Section 9 - Counties of Oceana, Newaygo, Mecosta, Muskegon, Ottawa, and Kent.
- Section 11 - Counties of Ogemaw, Iosco, Clare, Gladwin, Arenac, Isabella, Midland, Bay, Saginaw and Genesee.
- Section 13 - Counties of Huron, Tuscola, Sanilac and Lapeer.
- Section 15 - Counties of Emmet, Charlevoix, Antrim, Kalkaska, Leelanau, Benzie, Grand Traverse, Manistee, Wexford, Missaukee, Mason, Lake and Osceola.
- Section 17 - Counties of Cheboygan, Presque Isle, Otsego, Montmorency, Alpena, Crawford, Oscoda, Alcona and Roscommon.
- Section 21 - Counties of the Upper Peninsula of Michigan.

A request for modification of Local Section Boundaries may be made by filing a petition with the Board of Directors and shall be signed by at least five eligible members. The petition shall include the proposed boundaries of the area to be served.

4.3 Local Section Governance

Active Local Sections shall have elected officers, consisting of at least a Chairperson. Local Section Chairs must be eligible voting members of MWEA.

4.4 Activities and Reporting

All Local Section Activities must be in accordance with MWEA's tax exempt purpose. To demonstrate compliance with this requirement, Local Sections shall provide an Annual Report to the MWEA Board of Directors that summarizes Local Section activities and their alignment with MWEA's purpose over the prior year.

4.5 Public Communications

Local Sections may not speak for the Association except when formally given such authority for specific and time-limited purposes.

4.6 Limits of Authority

Local Sections cannot exercise authority over the Executive Director and staff. Authority over the Executive Director resides solely with the Board of Directors.

4.7 Liaisons

Each active Local Section shall be assigned a liaison between the section and the Board of Directors. Liaison assignments will be made annually by the President at the first regular Board of Directors meeting following Annual Conference.

4.8 Financial Requirements of Local Sections

MWEA is a nonprofit association exempt under Section 501(c)(3) of the Internal Revenue Code. All MWEA Local Sections operate under one MWEA federal tax ID and are accountable to ensure that all funds received and all disbursements made are consistent with the letter and spirit of the MWEA mission for which it was granted 501(c)(3) tax exempt status.

4.8.1 Banking Requirements

In accordance with this policy, Local Section bank accounts shall be required to meet the following:

- Local Section funds shall be held in MWEA bank accounts, or the Association's Executive Director and Treasurer shall have access to the Local Section account.
- MWEA's Treasurer shall be an authorized signer on the Local Section bank account and additional signers must be MWEA members who are representing their respective Local Sections with MWEA Board of Directors approval.
- Banks shall be authorized "no loans" for over drafts to Local Sections on the checking accounts.
- When a Local Section is no longer considered active, any funds remaining in Local Section bank account(s) shall be transferred to an MWEA general savings account.

4.8.2 Financial Reporting Requirements

In accordance with this policy, Local Sections shall be required to provide the following reports to the MWEA Executive Director and/or Treasurer as necessary for review and reporting:

- Bank statements shall be submitted monthly for review.
- Financial reports for the Local Section shall be submitted at least annually. Monthly reports are preferred and strongly encouraged of Local Sections.
- All other year end reports required for completion of the MWEA Annual Tax Reporting.
- An estimated yearly budget and list of planned activities shall be submitted by October of each year for MWEA Board of Directors approval.

4.8.3 Additional Financial Requirements

- Neither Local Sections Chairpersons nor Committee members are authorized to approve direct billing of Local Section's expenses to the Association. This responsibility lies solely and specifically with the MWEA Treasurer.
- Local Section shall provide sufficient information to the Board of Directors as part of their Annual Report to demonstrate financial controls are in place to assure compliance with MWEA's 501(c)(3) status.

5. DELEGATION POLICIES - EXECUTIVE COMMITTEE

5.1 Empowerment of the Executive Committee

Authority is delegated to the Executive Committee in order to perform certain limited activities with respect to the management of the affairs and business of MWEA. Consistent with this general statement:

1. The Board will develop Delegation Policies that establish the tasks delegated to the Committee and the limits of their authority in achieving those tasks.
2. The Executive Committee may further delegate certain tasks to subcommittees with approval of a quorum of the Committee.
3. As long as any particular policy is in place, the Board will respect and support the Executive Committee's reasonable interpretations, decisions and actions.
4. The Board may, from time to time, change its Executive Committee Delegation Policies to update the tasks assigned to that Committee and/or limits of authority.
5. The Board also may assign the Committee additional tasks or reassign existing tasks of the Committee on a non-recurring basis without formal modification of the policies.

5.2 Controlling Authority

The Board's authority to update the authorized tasks of the Executive Committee resides only in a resolution or other official action supported by the affirmative vote of the majority of MWEA Board Members.

5.3 Executive Committee Members

The members of the Executive Committee shall be as outlined in the Association's Bylaws.

5.4 Executive Committee Role

The Executive Committee's principal role, is to:

1. Provide support to the Executive Director and staff in periods between meetings of the full Board of Directors.
2. Assist in the development of MWEA's position on major issues and recommend such positions to the Board of Directors for consideration and approval.
3. Develop modifications to existing Statements of Policy and recommend such modifications to the Board of Directors for consideration and approval.
4. Develop new Statements of Policy and recommend such policies to the Board of Directors for consideration and approval.
5. Interview and recommend employment of the Executive Director to the Board of Directors for consideration and approval.

6. Evaluate the performance of the Executive Director and make recommendations to the Board of Directors concerning their employment contract, including level of compensation and termination.
7. Perform financial reviews in accordance with the Delegation Policy for Financial Planning and Budgeting.
8. Consider and act upon such other activities as directed or referred by the Board of Directors.

5.5 Financial Planning and Budgeting

The Executive Committee shall coordinate with the Executive Director to ensure MWEA operates within a Board approved annual budget and in alignment with MWEA's established financial controls. Consistent with this general statement, the Executive Committee shall:

1. Annually review MWEA's annual operating and capital budget prior to submission to the Board of Directors for approval.
2. Review any proposed budget amendments prior to submission to the Board of Directors for approval.
3. Review annual audit of the Association's financials prior to submission of the final report to the Board of Directors.
4. Other tasks as directed or referred by the Board of Directors.

In the event that the Board of Directors establishes committee(s) dedicated to these financial reviews, the Financial Planning and Budgeting duties outlined herein shall instead become authorized tasks of those committee(s).

5.6 Contractual and Financial Transaction Authority

The Executive Committee may authorize non-budgeted financial transactions up to \$10,000 provided that they meet all of the following conditions:

1. Transaction is approved by a quorum of the Committee
2. Transaction does not require a budget amendment
3. The approved transaction is reported out to the full Board of Directors at their next regular meeting.

5.7 Information and Support to the Board

The Executive Committee shall ensure the Board remains informed of the Committee's work. Consistent with this general statement, the Executive Committee shall submit a report of each Executive Committee meeting to the Board of Directors at their next scheduled meeting for review and action, if necessary.

6. DELEGATION POLICIES - EXECUTIVE DIRECTOR

6.1 Empowerment of the Executive Director

The Board will provide the direction for the functioning of MWEA through the Executive Director or through a temporary successor during any vacancy of that position. The Board will communicate the Board's goals and expectations to the Executive Director by means of policies, goals, and other communications that prescribe the results to be achieved as well as the actions and consequences to be avoided. To the extent that the Board's policies, goals and communications do not give specific direction, the Board will allow the Executive Director to use reasonable interpretations of its policies, goals and communications. Consistent with this general statement:

1. The Board will develop Delegation Policies that establish the respective roles and responsibilities of the Board and the Executive Director, and that limit the methods the Executive Director (and, by further delegation, Association staff) may employ to achieve the results required by the Board.
2. As long as the Executive Director uses a reasonable interpretation of the Board's Delegation Policies, the Executive Director is authorized to establish other management policies, processes, procedures, and practices necessary to implement the Board's policies.
3. The Board may, from time to time, change its Delegation Policies, to allow the Executive Director more or less latitude with respect to policy interpretation, decisions and actions.
4. As long as any particular policy is in place, the Board will respect and support the Executive Director's reasonable interpretations, decisions and actions.

6.2 Controlling Authority

The Board's authority to direct the Executive Director resides only in a resolution or other official action supported by the affirmative vote of the majority of MWEA Board Members. Only decisions of the Board acting as a legally authorized decision-making body are binding on the Executive Director. Consistent with this general statement:

1. An individual Board Member or Committee cannot make decisions or recommendations, nor issue directives that are binding on the Executive Director except where the Board has specifically authorized an individual Board Member or Committee to exercise such authority.
2. When individual Board Members or Committees request information or assistance from Association staff without formal Board authorization, the Executive Director can:
 - a. Respond as requested. The Executive Director, at their discretion, may notify all other Board Members of the request and the response provided. (Note: Other Board Members may request a copy of any information provided in response and the Executive Director is expected to provide it promptly).
 - b. Refer the request to the Board for consideration and direction before taking any action.

6.3 Management Roles

The Board will work with the Executive Director as a leadership team. The Board's principal role is to:

1. Develop and adopt policies for MWEA that set forth the results MWEA is to achieve and place limits on the authority of the Executive Director and Association Committees to determine how those results are achieved.
2. Review and approve strategic plans that set forth broadly stated objectives and performance measures.
3. Review and approve the Association's capital and operating budgets proposed by the Executive Director.
4. Review and approve plans, programs, and expenditures proposed by the Executive Director and/or Association Committees.
5. Routinely monitor organizational performance and accept accountability for that performance.
6. Hire a competent Executive Director and support the Executive Director by routinely engaging in a collaborative performance planning and evaluation.

The Executive Director's principal role, with the support of Association staff, is to:

1. Support the Board in its development of policies.
2. Carry out the Association's policies.
3. Keep the Board fully informed about the outcomes of its policies, including the documented achievement of results and the use of resources.
4. Prepare and present, for Board approval and consistent with Board policies, strategic and business plans, project plans and programs, and capital and operating budgets.
5. Manage and operate MWEA, accepting accountability for the performance of the Association in relation to the Board's policies, as well as its approved strategic and business plans, project plans and programs, and capital and operating budgets.

6.4 Monitoring Performance of the Executive Director

The Board will ensure that it routinely and rigorously monitors the Executive Director's job performance. The performance of the Executive Director will be measured by comparing MWEA's accomplishments with the Board's Policies and by comparing MWEA's operational conduct with the limits established by the Board's Delegation Policies. Consistent with this general statement:

1. Monitoring is the periodic review of relevant, timely and accurate information that allows the Board to judge the extent to which Board policies are being met. Information that does not do this is not considered monitoring information.
2. The Board will acquire the monitoring information it needs by one or more of three methods:

- a. By internal report, in which the Executive Director provides compliance information directly to the Board.
 - b. By external report, in which an objective external party, selected by the Board, gathers information for the Board. At the Board's discretion, the external party may also evaluate compliance with Board policies and report this information to the Board.
 - c. By direct inspection, in which a designated Board member or members gather information and evaluate compliance with the appropriate policy criteria.
3. Regardless of the method(s) employed, the standard for compliance with any policy shall be whether or not the Executive Director made a reasonable interpretation of the Board policy being monitored.
 4. The Board will normally monitor compliance with policies on an annual basis by a method chosen by the Board, however the Board can monitor a policy at any time by any method.

6.5 Executive Director Performance Planning and Evaluation

The Board will evaluate the Executive Director's performance annually for the purpose of determining their performance and for establishing any pay adjustments. The evaluation of the Executive Director will include:

1. Evaluation of Association performance and conduct in comparison to the Board's policies, the MWEA Strategic Plan and any other critical success factors established for the Association
2. The Executive Director's performance in interactions with the Board, local sections, committees, members, and representatives of other allied associations and organizations.
3. Other unanticipated significant accomplishments or shortcomings as determined by the Board.

6.6 Boundaries of Executive Director Authority

The Executive Director shall not cause or intentionally allow any practice, decision, action or circumstance within the Association that is unlawful, imprudent, in violation of MWEA Board Policies, or in violation of commonly accepted business and professional ethics.

6.7 Succession of Leadership

To prepare for continuity of leadership, the Executive Director shall:

1. Keep the Board informed about their availability to perform the duties of Executive Director.
2. Maintain a management policy that spells out the organizational authority in the absence or unavailability of the Executive Director.
3. Establish management policies and procedures that:
 - a. Prepare all employees to grow in their leadership capabilities and responsibilities.

- b. Ensure the loss of services from any one employee does not impede the performance of critical Association functions.

Notwithstanding this policy, the Board retains full authority and responsibility for hiring, supporting, evaluating and, if necessary, discharging of the Executive Director.

6.8 Information and Support to the Board

The Executive Director shall ensure the Board remains informed and supported in its work. Consistent with this general statement, the Executive Director shall:

1. Submit timely, accurate, and understandable monitoring data required by the Board in a form that directly relates to provisions of Board policies that the Board is monitoring.
2. Keep the Board informed about the Association's mission, vision, core values, strategic plan, significant successes or shortcomings with respect to Board policy, goals and other directives.
3. Inform the Board of important and unusual events and situations that are directly relevant to the Board's policies, especially any changes in the assumptions that the Board has used previously to establish policy and make other significant decisions.
4. Apprise the Board of any significant employee action or use of resources that was not contemplated in MWEA's approved budgets.
5. Share with the Board any expected significant reactions from Board members, committees, Association members, or other allied associations and organizations.
6. Advise the Board if they believe that the Board is not in compliance with its own policies, especially where Board actions or behavior (individual or collective) is detrimental to the work relationship between the Board and Executive Director.
7. Bring before the Board as many internal and external issues, points of view and alternatives as the Board needs to make fully informed decisions.
8. Bring to the Board, in support of the Board's deliberations and decision-making, the recommendation(s) of the Executive Director, the rationale for those recommendations, and the process by which those recommendations were developed.
9. Provide appropriate methods and resources for official communications and other functions of the Board, its officers, committees and independent advisors.
10. Communicate and work with the Board as a whole.
11. Report in a timely manner an actual or anticipated instance of noncompliance with any Board policy.
12. Supply for the agenda of any Board meeting, all matters delegated to the Executive Director that are required by law, contract and/or policy to be approved by action of the Board.

6.9 Strategic and Business Planning

The Executive Director shall ensure MWEA operates with a relevant long-range Strategic Plan

approved by the Board and intended to achieve the organizational outcomes contained in the Board's policies. Consistent with this general statement, the Executive Director shall:

1. Provide the overall direction, leadership, education, and resources needed to engage the Board, Association staff and outside advisors in an effective strategic planning process.
2. Keep the Strategic Plan relevant and effective.
3. Use the Strategic Plan as a guide and point of reference for preparing business plans, budgets, and other business management tools.
4. Communicate the strategic and business plans to the MWEA Board members, employees, and other stakeholders at appropriate intervals to keep them well informed about MWEA's strategic direction and desired business performance.
5. Use the strategic and business plans as points of reference for the reporting of Association outcomes and results.

6.10 Employee Interests

In all MWEA interactions with and among the employees of MWEA, the Executive Director shall not intentionally allow situations, processes, actions, behaviors, or attitudes that are unsafe, illegal, undignified, inattentive or unresponsive to employee needs and requests, or otherwise in conflict with the Association values advocated by the Board. Consistent with this general statement, the Executive Director shall:

1. Keep the Board updated about the general level of employee satisfaction at MWEA and about any employment issues that require attention.
2. Maintain written personnel policies that clearly communicate conditions of employment and rules of conduct for employees, provide for effective handling of employee grievances, and protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.
3. Ensure all employees acknowledge their receipt and understanding of the written personnel policies.
4. Notify employees of material changes to the written personnel policies and when appropriate, request their comments before adopting such changes.
5. Operate with an approved program for employee compensation and fringe benefits that emphasizes individual accountability, provides rewards for development of knowledge and skills and for exemplary performance, encourages organizational flexibility, and is consistent with appropriate geographic and professional markets for the skills employed.
6. Carry out annual or more frequent employee performance planning, evaluation and appropriate documentation.

6.11 Organization and Staffing

The Executive Director shall continuously evaluate the human resource needs of MWEA to determine the appropriate organization structure, staffing levels and use of contracted services. The Executive Director is responsible for managing employment matters including hiring,

discipline and termination of employees. The Board exercises control over organization, staffing and contracted services through the annual budget. Consistent with this general statement, the Executive Director shall:

1. Operate with an organization chart that identifies all authorized staff positions, their reporting relationships, and the names of persons holding those positions.
2. Advise the Board and Association employees of MWEA's organization structure, staffing levels, and any significant changes.
3. Seek Board approval for an operating budget amendment before making any changes in organization structure, staffing or contracted services that would incur expenditures in excess of the level authorized by the annual budget.
4. Ensure changes in organization structure, staffing or contracted services comply with Board Policies, the approved compensation and benefits plan/program, and the written personnel policies.

6.12 Financial Planning and Budgeting

The Executive Director shall ensure MWEA operates within a Board approved annual budget. Consistent with this general statement, the Executive Director shall ensure that financial planning and budgeting meets the following:

1. Is based on credible assumptions about variables that are likely to affect MWEA's future financial performance.
2. Includes credible projections of revenues, expenses, cash flow, and mandatory and discretionary reserve funds.
3. Recognizes the need for appropriate adjustments that may arise during implementation as a result of changed conditions and unexpected events.
4. Clearly communicates the connection between planned expenditures of resources and the expected business results as identified in the Strategic Plan.
5. Considers the information needs of the Board.
6. Complies with the Board's Delegation policy on Financial Condition and Transactions.

6.13 Financial Condition and Transactions

The Executive Director shall not cause or allow MWEA's financial condition to become precarious, or to be materially misrepresented. Consistent with this general statement, the Executive Director shall:

1. Ensure the cumulative expenditure of funds during a fiscal year are within the funds allocated by the Board through the annual budget and/or any approved amendments thereof.
2. Maintain reserves within policy levels unless otherwise approved by the Board.
3. Make payroll and fulfill all other financial obligations in a timely manner.
4. Collect or otherwise resolve receivables including but not limited to member dues and

event fees.

5. Operate with internal policies and procedures to ensure accounting and reporting of financial condition and transactions in accordance with legal or regulatory requirements and generally accepted industry practices.

6.14 Contractual and Financial Transaction Authority

The Board recognizes that duties of the Executive Director requires access to funds to perform administrative functions effectively and efficiently. Consistent with this general statement, the Executive Director shall be authorized to execute contracts and financial transactions on behalf of MWEA that meet all of the following conditions:

1. In the amount of \$10,000 or less.
2. For planned expense(s) in an approved operating or capital budget or for non-budgeted expense(s) specifically approved by separate Board action.
3. Where the recipient is not the Executive Director or any vendor that could be perceived to be a conflict of interest for the Executive Director.

All contracts and financial transactions not meeting the above criteria shall also require the authorization of the Treasurer or President (in Treasurer's absence). These same Board officers shall be authorized to execute contracts and financial transactions on behalf of MWEA in absence of the Executive Director.

As part of the Association's internal controls, the Executive Director shall review the financial transactions register with the Treasurer monthly.

6.15 Protection of Assets

The Executive Director shall ensure MWEA's assets (tangible or intangible) to be protected, appropriately used, adequately maintained, and free of undue risk. Consistent with this general statement, the Executive Director shall:

1. Adequately protect MWEA's assets from significant damage or loss including but not limited to physical assets, Association image, intellectual property, and information.
2. Operate with internal operating policies and procedures that effectively control banking signatories and transactions, procurement of goods and services and other financial functions.

6.16 External Communications

The Board expects the Executive Director to be the principal point of contact for all communications between MWEA and external interests including the news media and other allied associations and organizations. Such designation does not preclude the Board President from speaking on behalf of the Board concerning matters of Board policy or Board action. The Board expects all external communications to be timely, accurate, clearly stated, and consistent with official Association positions. Consistent with the general statement, the Executive

Director shall:

1. Protect information that has been designated confidential, except in those situations where the release of such information has been explicitly authorized by the Board or by legal or regulatory action.
2. Release information that is consistent with Board policies.
3. Adopt appropriate management policies and procedures to ensure that MWEA staff are fully aware of their individual responsibilities and limitation with respect to information management and external communications.

6.17 Member Interests

In all MWEA interactions with members, the Executive Director shall not intentionally allow situations, processes, actions, behaviors or attitudes that are unsafe, undignified, inattentive or unresponsive to member needs and requests, or otherwise in conflict with the Association values advocated by the Board. Consistent with this general statement, the Executive Director shall:

1. Ensure the staff and Board are informed about member satisfaction with MWEA's services and conduct, as well as current and emerging member needs that are relevant to MWEA's core purpose and mission.
2. Take reasonable actions that are intended to appropriately engage members in committees, seminars, conferences, training, and other events that are directly relevant to member interests and MWEA performance.
3. Provide (within the budget approved by the Board) adequate resources and support staff to conduct Association training, seminars, and conferences in support of MWEA's Strategic Plan.
4. Provide (within the budget approved by the Board) adequate resources and support staff to facilitate committee meetings, website updates, social media, email and other forms of communication between and among MWEA and its members.
5. Use methods of collecting, reviewing, transmitting, or storing member information that protects it against improper access and use, damage, or loss.

6.18 Agenda Planning

To ensure that the Board is proactive in its governance, the Board will follow an annual agenda. In addition to specific recurring governance functions, the Board's annual agenda will include: (a) An annual review of the Board's Statements of Policy; (b) An annual strategic planning session; (c) Ongoing monitoring and evaluation of MWEA's performance in accomplishing desired results for its members; and (d) Continuous improvement in the quality of the Board's governance through self-evaluation, education and enhanced information and deliberation.

1. The Board's agenda cycle will begin on the final day of MWEA's annual conference and conclude on the second to last day of the following year's annual conference in order to align with the Board year term.

2. Recurring agenda items for the annual agenda include:

First Quarter Agenda Items (July-September)

- a. The Board will adopt the annual meeting schedule for the Board year.
- b. The Board President will establish committee liaison assignments for Board members.
- c. The Board will formerly welcome new members and cover transition items necessary for new and existing Board members with the changing Board year.
- d. The Board will review and approve the annual dues for all member classes for the next calendar year.
- e. The Board will review results of the independent financial audit for the preceding calendar year.

Second Quarter Agenda Items (October-December)

- a. The Board will review and approve the budget for the upcoming calendar year.

Third Quarter Agenda Items (January-March)

- a. The Board will review and approve nominations for upcoming Board position vacancies.
- b. The Board will review and approve the slate of annual award winners.
- c. The Board will review and approve the slate of annual scholarship winners.

Fourth Quarter Agenda Items (April-June)

- a. The Board will review and approve any Time & Place recommendations for future Annual Conference venues.
- b. The Board will review and approve any Bylaws Committee Recommendations in advance of potential review and approval of membership at the Annual Business Meeting at Annual Conference.

Recurring Agenda Items for All Quarters

- a. The Board will review unaudited financial performance for the prior period.

3. Agendas for regular meetings shall be established by the following process:

- a. The Executive Director submits a proposed agenda to the Board President and President Elect at least five business days in advance of each regularly called Board meeting. The Executive Director's agenda will include any agenda item proposed by Board members, Committees, Local Sections and/or staff at least ten business days in advance of the meeting.
- b. The Board President and President Elect review the proposed agenda, modify it, and return a final agenda to the Executive Director at least three business days in advance of the meeting.
- c. The Executive Director reviews and sends the final meeting agenda with supporting documentation to the Board of Directors at least two business days in advance of the

meeting. The Executive Director also ensures proper posting of the meeting per requirements of the MWEA Statements of Policy.

- d. Any Board Member or the Executive Director may request the addition of agenda items at the beginning of the meeting when the Board President requests Board approval of the agenda. The Board President will accept agenda changes that are approved by a majority of the Board of Directors present.

6.19 Meeting Minutes

To ensure consistency in form and function, minutes for Board of Director meetings and summaries from Executive Committee meetings shall be the responsibility of the Executive Director. Minutes/summaries for meetings shall be established by the following process:

1. The Executive Director or their designee submits the draft minutes/summary to the Board Secretary no later than ten business days following the meeting.
2. The Board Secretary shall review the draft minutes, suggest any necessary edits, and return to the Executive Director or their designee within ten business days.
3. The Executive Director or their designee reviews and updates the minutes/summary for inclusion in the packet for the next meeting.

7. RESULTS POLICIES - FINANCIAL

7.1 Investment

The Treasurer shall be in charge of the funds of the Association and custody of its investments. Investments made on behalf of the organization shall be governed by the Investment Policy set forth below. The Treasurer shall review the investment status and strategies with the Board of Directors at least once a year.

7.1.1 General

This investment policy applies to all financial assets of the Michigan Water Environment Association. These assets are accounted for in the Treasurers Reports as well as the Annual Financial Report.

7.1.2 Prudence

Investments shall be made with prudence and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence, exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

7.1.3 Objectives

The primary objectives of MWEA investment activities shall be:

- **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
- **Credit Risk:** The risk of loss due to failure of the security issuer or backer (credit risk) shall be minimized by the following means:
 - i. Limiting investments to the types authorized in this Investment Policy.
 - ii. Pre-qualifying the financial institutions, brokers/dealers, and intermediaries and/or advisors through whom investments are arranged, procured or issued.
 - iii. Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- **Interest Rate Risk:** The risk associated with the market value of securities due to changes in general interest rates shall be minimized by the following means:
 - i. Structuring the investment portfolio such that securities mature to meet the operating cash requirement, thereby avoiding the need to sell securities in the open market.
 - ii. Investing operating funds primarily in shorter-term securities.
- **Diversification:** The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income

generated from the remainder of the portfolio.

- **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. However, in most instances securities shall be purchased with the intent of holding until maturity.
- **Return on Investment:** The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.
- **Ethics and Conflicts of Interest:** Individuals involved in the investment of MWEA funds shall refrain from personal business activity that could either conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. Any material financial interests in financial institutions in which funds of the MWEA funds have been invested shall be disclosed to the Board. Further, any large personal financial investment positions that could be related to the performance of the investment portfolio shall be disclosed. Personal investment transactions shall be subordinate to those of the MWEA.

7.1.4 Authorized Investments

The following are investments authorized by the Association:

- Treasury bills, bonds, and securities of the United States or an agency or instrumentality of the United States with remaining maturities of two years or less, unless purchased for a Debt Retirement or other long-term investment account.
- Certificates of Deposit, Savings Accounts, and Savings Deposit Receipts of a bank, which is a member of the Federal Deposit Insurance Corporation. No maturity shall extend beyond five years.
- Commercial Paper rated Superior: A-1 by Stand & Poor's and P-1 by Moody's Investors Service. Not more than 25% of total MWEA funds under investment may be invested in commercial paper. Maturity cannot exceed 270 days from the date of purchase.
- Bankers' Acceptances of United States Banks. Not more than 10% of total MWEA funds under investment may be invested in banker's acceptances.

7.1.5 Safekeeping and Custody

All security transactions entered into by the MWEA shall be on a cash basis. Securities may be held by a third party custodian designated by the MWEA and evidenced by safekeeping receipts as determined by the Treasurer. Certificates of Deposit may be held in local financial institutions from which purchased for safekeeping as evidenced by safekeeping receipts kept on file by the Treasurer.

7.1.6 Internal Controls

An independent and external examination of the MWEA's investment program shall be

conducted annually. Generally, the review will be conducted by the firm/individual retained to conduct the financial audit of the MWEA operations. The review shall assess compliance with the provisions of the investment policy and any supplemental investment procedures established by the Board, as authorized herein.

7.2 Reserves

It is the policy of the Association to have sufficient cash reserves to absorb short-term variability of operating expenses and ensure that adequate funds are available for contingencies. Target cash levels are established by this policy to address the following categories of operational risk and planning:

1. Operating Fund

This fund is intended to assure that the Association has sufficient financial strength to withstand an unforeseen decline in revenue or an increase in expenses. Cash for the Operating Fund shall be maintained at no less than an amount equal to 25% of the annual operating expenses, excluding the direct expenses from Annual Conference, Joint Expo, WWAdCon, and Committee Seminars. This represents approximately a three-month reserve for general operating expenditures.

2. Insurance Fund

This fund is intended to assure that the Association has sufficient cash to fund the deductible on an insurance claim. Cash for the Insurance Fund shall be maintained at no less than the maximum deductible for a single occurrence under MWEA's insurance policies.

3. Project Fund

This fund is intended to support planned long-term and/or periodically recurring projects of the Association and its Committees. In addition, this fund is intended to allow the Association to take advantage of opportunities that may arise between budget cycles. The cash for the Project Fund shall be maintained at no less than an amount equal to 15% of the annual operating expenses, excluding the direct expenses from Annual Conference, Joint Expo, WWAdCon, and Committee Seminars.

Cash reserve funds are to be reviewed annually during the budget creation process in order to assure that they are maintained at or above the target levels. Based on the status of the funds, the following actions shall be taken:

- Reserves below the target levels: Reduce expenses and/or adjust rates to bring reserves to the target levels within three years. A longer timeframe may be approved by specific action of the Board of Directors.
- Reserves at target levels: No action necessary.
- Reserves above target levels: If the reserves are projected to remain more than 10% above the target levels for more than three years, the Board of Directors may consider the following actions:

- No action.
- Determine appropriate allocation of all or a portion of excess reserves into programs, scholarships, grant matches or other items determined to be in the best interest of forwarding the strategic plan of MWEA and in accordance with MWEA's 501(c)(3) tax exempt status
- Reduce membership rates, thereby decreasing contributions to reserve funds.

Each annual operating budget for the Association shall identify appropriation of funds to or from the reserve funds based on the findings of the review. Any unbudgeted use of the reserve funds shall require approval of the Board of Directors.

In addition to planned contributions, any net unexpended funds (after the need for an adequate checking account balance has been taken into account) at fiscal year-end shall be applied to the Operating Fund and/or Project Fund. The Executive Director in coordination with the Treasurer shall recommend fiscal year end allocations to the Board of Directors for approval.

7.3 Capitalization

It shall be the policy of the Association to provide for the consistent recording of long-lived assets. A general presumption is made that items of a small dollar amount or of a repair nature are to be expensed unless they are justified as capital under this policy. No items below \$5,000 shall be capitalized. Of those items with an acquisition cost in excess of \$5,000, only items with expected useful lives of one year or more shall be capitalized.

The cost of a capital asset should include all initial expenditures and ancillary charges necessary to place the asset into service. Ancillary charges include costs that are directly attributable to asset acquisition such as installation costs and professional fees.

With respect to asset improvements, costs over \$5,000 should only be capitalized if the estimated life of the asset is extended by more than one year and/or if the improvements significantly change the character of the asset. Otherwise, the cost should be treated as a maintenance expense.

All capital expenditures shall be approved in advance by the Board of Directors through the annual budgeting process. If capital items are required that were not provided for in the annual budget, separate approval of those expenditures must be obtained from the Board of Directors.

All assets are to be recorded at their completed acquisition cost. Upon completion, a depreciable life will be established based on the asset's expected economic useful life for its intended purpose. Unless specific circumstances dictate to the contrary, the useful lives shown in the table below shall be used for capital assets. The Treasurer must approve any exception. Depreciation is the systematic and rational allocation of the cost of an asset over its estimated useful service life. Depreciation expense is to be calculated on a monthly basis based on actual assets owned.

Table 1 – Depreciation Life of Typical Asset Types

Fixed Asset Category	Depreciation Life (yrs)
Computer Software	5
Computer Hardware	5
Office Equipment	5
Vehicles	5
Office Furniture	7
Appliances	7
Building Improvements	10-20
Real Estate	39

Whenever a disposition of a capitalized asset occurs, that disposition must be recorded by removing the asset's cost and accumulated depreciation from MWEA's financial records. If any gain or loss occurs on the asset disposition, this is to be recognized in the period of the disposition.

7.4 Reimbursement

7.4.1 General

MWEA is tax exempt, and MWEA vendor and service providers must be apprised of this so that tax may be excluded from all billings to the Association.

7.4.2 Reimbursement for Board Member and Executive Director Expenses

Board Member and Executive Director eligibility for reimbursement of expenses associated with attendance at WEF and Association functions will generally be governed by the Schedule of Reimbursement for Travel/Meetings at the end of this policy. However, ultimate eligibility is governed by the discretion of the Board of Directors to fund such activity in the Annual Budget. The Schedule of Reimbursement for Travel/Meetings shall be subject to annual review and Board of Directors' authorization.

Reimbursement for Board members identified as discretionary on the Schedule for Reimbursement shall require prior authorization of the Board.

7.4.3 Reimbursement of Travel Expenses for Non-Board Members

Reimbursement of expenses associated with attendance at WEF and Association functions for non-board Association members is not generally anticipated. Any such reimbursement shall be limited to event attendance determined to be in the best interest of the Association and shall require prior approval of the Board of Directors.

7.4.4 Reimbursement of Executive Director Expenses

Executive Director reimbursement and mileage requests are to be submitted to the Treasurer for review and approval. Reimbursements are for anything not on the

Association credit card and must include documentation. Credit card statements are reviewed monthly by the Treasurer.

7.4.5 Reimbursement of Association Staff

MWEA Office Staff reimbursement and mileage requests are to be submitted to the Executive Director for review and approval. Reimbursements must include documentation.

7.4.6 Reimbursement of Committee Expenses

The appropriate Committee Chair shall review any reimbursement request prior to submittal. Reimbursements must be consistent with approved budgets, policies and MWEA's tax exempt status. Credit card charge receipts will not be accepted without supporting documentation and/or itemized receipt.

7.4.7 Reasonable Expenses

Reasonable expenses for reimbursement include the following:

- **Travel:** Whenever possible all arrangements for travel shall be made at least 30 days in advance in order to book the most cost effective rate possible. Reimbursement shall be limited to economy, second-class, coach or other such reasonable rate designation. If travel is by personal auto, mileage reimbursement may be made on the basis of miles driven multiplied by the current effective mileage rate as established by Internal Revenue Service for computing personal Income Tax.
- **Accommodations:** Whenever possible room reservations shall be made in advance, in order to obtain lodging at the most cost effective rate. As much as possible, MWEA representatives shall limit lodging needs by sharing rooms, and shall be, therefore reimbursed for "double occupancy rates". Single occupancy is an option, but subject to additional payment (based on the double occupancy rate). The number of "nights" authorized shall be limited to those directly related and required for conducting business and or attending meeting/s on behalf of MWEA.
- **Meals:** Reimbursement of the cost of meals shall be contingent upon the submittal of receipt/s documenting the actual cost of the meal(s). MWEA does not consider alcohol an essential or reasonable expense. Only those actual food costs documented by receipt will be eligible. For guidance purposes, it is suggested that reasonable meal expense maximums (reimbursable food expense) are up to the following: Breakfast = \$10.00; Lunch = \$10.00; Dinner = \$25.00 including gratuities. This is not to be construed as a per diem allowance. Meals provided as part of scheduled events such as banquets, awards, ceremonies, etc. may exceed the above noted maximums.
- **Registration(s):** Fees for MWEA Representative's participation in workshops, seminars, conferences, and others, may be reimbursed (with adequate support documents) when pre-approved by the Board of Directors.

- Such other expenses as may be approved, in advance, by the Board of Directors

7.4.8 Reimbursement Requests

All requests for disbursement of MWEA funds shall be made on a form as provided by the MWEA Office Staff. The reimbursement form shall be completed by the requesting party, which shall have attached documentation of the expense. Credit card charges will not be accepted without adequate supporting documentation including the itemized receipt for which the charge was made.

All re-imbusement requests shall be made to the Treasurer. All reimbursement requests for authorized expenses shall be submitted no later than sixty (60) days after the event from which the request is being submitted. Expenses of the Treasurer shall be submitted to the President for approval.

7.4.9 Schedule of Reimbursement for Travel/Meetings

The following schedule outlines the Board Members normally budgeted to have their expenses covered at events and those that are discretionary, requiring prior Board authorization for reimbursement of their expenses:

Event	Eligible Expenses	Approved Positions	Discretionary Positions
MWEA Annual Conference	Lodging Registration Meals	All Board Positions Executive Director ¹	N/A
WEFTEC	Travel Lodging Registration Meals	Federation Delegates ² Executive Director	President President Elect
WEFMAX	Travel Lodging Meals	Federation Delegates Executive Director	All Other Board Positions
WEF Leadership Meetings ³	Travel Lodging	N/A	President Elect Vice President Treasurer Secretary Federation Delegates Association Directors Executive Director

¹ Executive Director’s Travel Expenses for Annual Conference are also approved for reimbursement.

² Actual number of delegates only. In the years where overlap occurs, the delegate who is cycling out of the office will be provided only travel expenses and (1) nights lodging or will give their proxy to WEF in advance and in accordance with WEF policy.

³ Not everyone to attend every year; based on a rotation schedule.

8. RESULTS POLICIES – ASSOCIATION BUSINESS

8.1 Member Code of Conduct

As members of the MWEA engaged in water resource activities and related environmental field:

- We shall act to provide the best possible service while preserving the public health, ensuring public safety, and being responsible stewards of our precious water resources.
- We shall perform our duties in accordance with local, state and federal laws and follow generally accepted and professional procedures, making sure that such procedures are based upon reasonable substantiated information.
- We shall discourage exaggerated, unfair, or untrue statements concerning the MWEA and water resources issues and promote an understanding of professional standards for water, water pollution control, and other water resources systems operations and materials.
- We shall abide by all applicable ethics policies while at work, in our communities and in our volunteer service to MWEA.
- We shall perform the duties entrusted to us to the best our ability. We shall hold the public interest superior to personal interests and shall endeavor to ensure, through actions and leadership, that service to clean water environment is maintained under all conditions.
- We understand our essential public health and environmental stewardship obligations to our community, state and nation. We accept these obligations and we shall always strive to do our best as we discharge them.

8.2 Membership Classes and Dues

Membership classes shall include all classes of membership designated by WEF and other classes of membership established by the Association.

8.2.1 WEF Membership Classes

Available WEF membership classes and privileges are as defined in the WEF Bylaws.

8.2.2 Association Membership Classes

The Association has the following membership classes:

- WEF/MWEA Membership
 - Shall be persons with membership in both WEF and MWEA.
 - Shall be eligible voting members.

- Shall be eligible to hold Association offices
- Shall pay dues to WEF.
- Affiliate Membership
 - Shall be persons with membership in MWEA only.
 - Shall be eligible voting members
 - Shall not be eligible to hold Association offices.
 - Shall pay dues to the Association.
- Honorary Membership
 - Not more than two honorary members may be elected in any calendar year.
 - Shall be elected for life, by unanimous vote of the Board.
 - Shall be eligible voting members.
 - The Past-Presidents Committee shall suggest potential nominees.
 - Honorary Members living may not exceed a ratio of three (3) Honorary Members to every 100 eligible voting members of the Association at the time of election.
 - Honorary Federation Members elected from this Association shall also be, by their election, Honorary Members of the Association and shall be awarded an appropriate certificate by the Association.
 - Honorary members shall not pay Association dues.
 - Honorary Association members shall be an Association member at the time of their selection.
- Retiree Membership
 - Shall be retired persons whose combined age and years as an Association member total at least 75.
 - Shall have all member rights and privileges, as established by the Board.
 - Shall be an eligible voting member.
 - Shall pay Association dues at a reduced rate established by the Board of Directors.
- Student Membership
 - Shall be enrolled at least half-time in a Michigan college or university.
 - Shall be eligible voting members, but shall not hold Association offices.
 - May not retain this class of membership beyond the end of the calendar year in which student enrollment ends.
 - Shall pay Association dues at a reduced rate established by the Board of Directors.

8.2.3 Certification of Membership

The Executive Director shall retain the list of WEF members when provided by WEF and shall also maintain a list of all MWEA members. All members must renew membership annually, regardless of classification.

8.2.4 Setting of Dues

The Executive Director shall review MWEA membership dues annually and recommend changes to the Board of Directors. Changes in dues shall be approved by the Board.

WEF membership dues shall be determined by the WEF Board of Trustees and shall include the current dues for the Association and for WEF. Annual dues for all other member classes shall be billed by the Association.

8.2.4 Payment of Dues

Affiliate members and members in other classes of membership established by the Association as provided herein shall pay dues as established by the Board. Dues shall be payable within 120 days after a member's anniversary date. Dues are payable for a twelve-month period beginning with the first date of membership which is defined as the anniversary date.

Annual dues for WEF members shall be billed directly to the Association members by WEF.

8.2.5 Arrears

Any Member of MWEA who shall be delinquent in dues for a period of 120 days from the time dues become due shall be notified of such delinquency and suspended from further services. If payment is not made within the next succeeding 120 days, the delinquent Member shall be dropped from the rolls and thereupon forfeit all rights and privileges of membership.

8.3 Consumption of Alcoholic Beverages

MWEA activities commonly make use of and take place at commercial establishments that are in the business of providing such meeting necessities as facilities, rooms, equipment, and meals. These establishments have the necessary liability insurance coverage, indemnifying the establishment only against potential losses and claims arising from providing said services.

MWEA does not recognize alcoholic beverages as a routinely reasonable or reimbursable expense and will not reimburse members for their purchase except as provided in this Section.

In the case of conferences, seminars or other special events, the Board of Directors may, on a case-by-case basis, authorize the purchase and serving of alcoholic beverages by the host venue and the rules that will govern such serving/consumption. No more than two drink tickets shall be provided per individual per night at an event. Approval for purchasing or serving alcoholic beverages must be granted prior to the event (although for regularly held events, such as annual conference, such approval once given shall be effective for each occurrence of the event unless or until the approval is removed or modified).

Members shall not bring, share or otherwise provide alcoholic beverages for their own, or others, consumption while actively participating in any authorized activity, except as may be allowed and/or provided by the duly contracted facility at which said activity is being held.

8.4 Partnering Activities

Any Association activity/event which is offered jointly with another organization (i.e. MI-AWWA, MML, APWA, etc.) or agency (i.e. EGLE, USEPA, etc.), shall be planned within agreements made through a "Memorandum of Understanding" (MOU). The MOU shall be submitted to the Board for review and approval a minimum of 30 days prior to the scheduled activity/event. The Executive Director, with assistance from the Chairperson of the sponsoring MWEA Committee is responsible for developing the MOU.

A MOU is a written document detailing the responsibilities of the Association and any co-sponsoring organizations in the proposed activity. At a minimum, concerns such as legal and financial liabilities and revenue sharing shall be addressed.

8.5 Annual Conference

The MWEA Annual conference is the Association's premier event of the year. These policies are intended to define the Board of Director's expectations relative to the event.

8.5.1 Notification

The Annual Conference announcement shall be distributed to membership no later than the "Spring Issue" of the MWEA Magazine. The announcement shall include, at a minimum: proposed slate of officers, draft technical program, conference overview, location and lodging information, and exhibitor/golf/sponsorship/attendee registration instructions.

8.5.2 Planning and Implementation

The Executive Director shall have the primary responsibility for the planning and implementation of the Annual Conference. Consistent with this general statement, the Executive Director shall:

1. Negotiate contract terms with the selected Annual Conference venue following approval of the Annual Conference Committee's report for future Annual Conference location.
2. Plan and implement conference schedule and events.
3. Coordinate with Annual Conference Committee on development of technical program.
4. Coordinate with WEF relative to Federation representation at Annual Conference.

8.5.3 Deviations

Deviations from the standard conference that may potentially impact conference

budget such as conference duration, format, or number of attendees, will require approval by the Board of Directors.

8.5.4 WEF Representation

When a representative of the Water Environment Federation is assigned and invited to the Annual Conference, the following coordination shall be required:

1. Senior Federation Delegate and Executive Director (or their designee) shall complete the coordination form supplied by WEF and address any other coordination questions that may arise.
2. Senior Federation Delegate shall be the host for the WEF Representative at the Annual Conference and shall coordinate with Executive Director to ensure that local arrangements are complete. If the Senior Federation Delegate is not available for this duty, then the Junior Federation Delegate shall assume these duties.
3. Registration fees are a source of revenues necessary for the operation of the Annual Conference and are subject to the MWEA Cancellation Policy.
4. It shall be the responsibility of the Executive Director or their designee to complete the following tasks:
 - Upon arrival at the conference site, provide the Federation Representative with a complimentary packet of information, program of and tickets for all Annual Conference events.
 - Provide an opportunity for the Board of Directors to have lunch or dinner with the Federation Representative.
 - Provide an opportunity for the Federation Representative to present all WEF awards at the Annual Conference. These awards and biographical sketches of the award recipients will be given to the Federation Representative in advance of the conference.

8.5.5 Advertising

Displays of equipment will be allowed only for those times and places as approved by the Executive Director.

Advertising for events and/or activities, other than those planned specifically for Annual Conference will not be allowed unless authorized by the Executive Director.

8.6 Awards

There shall be an Awards subcommittee of the Annual Conference Committee led by the Association Directors. This subcommittee shall be responsible for coordinating the awards, including nominations, recommendations, and presentation at MWEA's Annual Conference.

Award criteria shall be established by the Awards subcommittee and/or Executive Director, approved by the Board and provided to the general membership for use in providing the names

of eligible award nominees. Candidates for MWEA awards will be received and evaluated by the Awards subcommittee.

The Awards subcommittee shall select final nominees for all MWEA and WEF awards. Nominees for each award are submitted by the standing committees to the Awards Subcommittee. If more than one person is submitted for any award, the Awards Subcommittee will determine the final nominee for that award. Upon selecting the final nominees for each award, the Awards Subcommittee shall present the names of persons so selected to the Board for approval at least 90 days prior to the Annual Conference. In selecting the final nominees, the Awards Subcommittee shall consider the recommendations made by the committees submitting the initial nominations.

The Awards Subcommittee shall submit the approved nominations for WEF awards to MWEA staff for submission to WEF in accordance with the WEF nominating schedule.

New awards and modifications to existing awards shall be recommended to the Board by the Awards Subcommittee and/or Executive Director, and authorized by a majority vote of a quorum of the Board at a regularly scheduled Board meeting. The membership must be made aware of any new awards and modifications to existing awards, and the criteria for eligibility and any nomination criteria prior to presenting the award. Any awards that are named after individuals shall be reviewed every 3 years for relevance by the Awards Subcommittee. In addition, existing awards criteria shall be reviewed every 3 years and any modifications shall be presented to the Board for consideration.

8.7 Publications

MWEA shall utilize publications to provide information to membership and interested parties regarding the Association, activities, opportunities and current news. Consistent with this general statement, the Association shall maintain the following publications:

8.7.1 Magazine

The Association shall prepare and distribute a Magazine to its members and other interested parties. The Editor with the assistance of the Executive Director are responsible for publication. The Association Magazine shall be called the "MWEA Matters."

8.7.1.1 Publication Schedule

The Association Magazine shall be published quarterly. Any modification of that schedule requires approval of the Board of Directors.

8.7.1.2 Magazine Content

- Contributions to the content of the Magazine may be proposed by any member.
- Content shall be relevant to the MWEA membership and MWEA mission.

- Photographs and written coverage of the Annual Conference shall be included in the Fall Issue.
- Committee and Local Section chairs are also encouraged to contribute articles for publication.
- The Magazine may include and accept paid advertisements. The Publisher sets advertising rates and is responsible for all ad sales.
- All materials that are mailed from “MWEA” shall be, first, reviewed and authorized by the Executive Director and Editor.
- An updated schedule of events shall be included in each publication.

8.7.1.3 Editor Responsibilities

- Shall be a member of the Association.
- The term shall be three years. An individual may not serve as Editor for more than two consecutive terms.
- Shall be responsible for reviewing articles submitted for publication to ensure content is relevant to the Association membership.
- Shall review magazine proof for accuracy, grammatical correctness, and relevancy prior to publication.
- Changes to standard format or structure of the magazine shall be approved by the Secretary and Executive Director prior to implementation.
- Shall work with the successor for at least one publication to assist in the transition of responsibilities.

8.7.1.4 Editor Selection Process

- At least six months prior to the end of the current Editor’s term, a call for applications shall be distributed to the membership.
- Interested applicants shall apply for the Editor position using a form provided by the Association.
- The Secretary, Executive Director, and current Editor shall review applications and shall agree on a successor by 2/3 majority.
- If the current Editor has applied for a second term, then the Vice-President shall serve on the review panel in place of the current Editor.

8.7.2 Website

MWEA provides an electronic website as a convenience to our members and to provide information regarding our Association, activities, opportunities and current news. The website also provides a forum to further training and knowledge regarding the water environment.

To maintain its 501(c)(3) status, MWEA will comply with the regulations. The Board of Directors will have oversight of the website through the Executive Director and further review from qualified professionals.

8.7.2.1 Administration

- The Board of Directors may elect to hire the services of a professional web

developer to operate and maintain all or part of the MWEA website. Review of all content and editorial privilege shall remain with the MWEA staff.

- All materials on the website will be reviewed and approved by the Executive Director and/or staff including postings and links.
- The website mission, purpose, and policy shall be reviewed at least annually.
- A generic email address shall be established and provided on the website for members to submit inquiries. The email address shall be monitored by the Executive Director or their designee.
- Each employee shall have their own username and password to access the website (which includes the member database and event registrations).

8.7.2.2 Content

- A statement shall appear on all pages including the home page, indicating that MWEA asserts its copyright.
- A release and permission from the author of all materials posted on the website, including photos, shall be submitted to the MWEA office.
- The website home page shall contain an approved disclaimer statement, prominently displayed.
- MWEA has the right to discontinue or terminate a link at any time without notice, MWEA may link to governmental (federal, state and local), WEF, Water Environment MA (member associations), and other sites approved by the Executive Director.

8.8 Legislative Policy

This policy is used for developing and gaining Association approval for comments on regulatory and legislative proposals. The procedure establishes guiding principles and basic implementation steps.

8.8.1 Guiding Principles

To provide for proper development and review of MWEA actions within the 501(c)(3) on governmental proposals, the following principles are established: Timeliness, Diverse Input, Consistency, Consensus, Technical Excellence, Professional Excellence and Sign Off Authority.

All Association actions on proposals must be consistent with these seven principles. However, the level of detail and the manner in which each is addressed will depend on the nature, importance and timing of the action. The MWEA President and the appropriate Committee Chair will be responsible for measuring and insuring compliance.

Each principle is discussed below:

Timeliness:	All proposed actions should address current and future issues in a timely fashion for maximum effectiveness.
Diverse Input:	All proposed comments, positions, and policies should be based on diverse Association member input. This includes diverse geographic, occupational and community representation. In addressing regional issues, wider geographical input is required if Association actions apply beyond the specific situation.
Consistency:	All proposed comments, positions and policies should be internally consistent. New MWEA comments should build on prior positions, statements and thinking. Major inconsistencies with prior stated Association positions or policies require more comprehensive review and approval.
Consensus:	All proposed comments, positions and policies should reflect a consensus professional opinion, not a special interest opinion. Opinions without consensus should not be included in MWEA statements, except as necessary to highlight and clarify the controversial aspects of the issue.
Technical Excellence:	All proposed comments, positions and policies should be based on sound scientific and engineering principles and data. All technical statements should be current, accurate and defensible.
Professional Excellence:	All proposed comments, positions and policies should reflect well on the Association as professional stewards of the water environment. They should reflect feasible, effective and sound environmental management.
Sign-Off Authority:	All proposed comments, positions and policies should, before release, be measured against the six preceding principles and compliance verified by the Secretary and reviewed/approved for release by the Association President as indicated in each implementation procedure listed below.

Each of these required principles must always be examined for every MWEA action, but the degree will depend on the timing, nature and subject of the action. Association Actions, which fail to meet the principles, should be appropriately limited in scope and narrowly attributed.

8.8.2 Procedures

Action proposals may range from simple letters, to testimony, to comprehensive written comments. The timing and nature of these actions require different implementation procedures. Four general procedures are proposed for each type of action:

- Policy and Position Statements

- Formal Written Comments and Testimonies
- Fast Track Comments and Testimonies
- Immediate Responses

Each of these requires progressively shorter time frames and very different activity requirements. The selection among these procedures will be judged on a case-by-case basis.

These four scenarios are designed to permit flexibility by the Association in responding to governmental actions in a timely manner while still ensuring consistency with the guiding principles

8.8.2.1 Policy and Position Statements

- This procedure is the most time consuming (typically six months to a year or more) and intensive. It should be used for development of major Association policy and position statements that have long-term implications.
- An Association policy statement represents a general environmental policy important to Association members. This policy should help guide Association's actions on specific issues. Policy statements must be approved by the Board of Directors and should be reviewed at least every five years.
- An Association position statement addresses a subset of a broad policy issue. It is more specific and detailed than policy but is still sufficiently broad to guide other Association actions on individual government proposals. Association position statements require approval of the Board of Directors and should be reviewed at least every three years.
- Policy and position statements should have a high level of member input and review. Development of policy and position statements should involve the committees having the necessary expertise as well as early efforts to solicit broad membership input.
- Actions contrary to approved policy or position statements will require Board of Directors approval.

8.8.2.2 Formal Written Comments and Testimony

- This procedure is designed for issues requiring response to individual regulatory or legislative actions that are not inherently designed to set long-range Association policies. In general, this procedure is expected to take three months or longer.
- Formal written comments will be typical of this category. The procedure utilizes a diverse expert work group to develop the comments followed by Board of Directors approval. However, in special cases, the MWEA President may review, authorize and release Association statements, when timing of the Association's comments is critical to the issue at hand.

8.8.2.3 Fast Track Comments and Testimonies

- This procedure is designed for issues requiring action in one week to three months. It is used in situations such as providing testimony, or developing minor written comments that build on prior Association actions which have received more rigorous review. Expert advisors are involved to insure a quality product and compliance with the seven guiding principles. It will have final review by the appropriate committee Chair and the Association President.

8.8.2.4 Immediate Responses

- This procedure is designed for minor actions by Association staff or by any MWEA Committee that requires a response in one day to two weeks. It is used in situations, such as responding to routine requests by government officials and Association members. It requires Association President and the Committee Chair involvement, but is very narrowly defined to only address issues for which the Association has clear position.

8.9 Scholarships

The Association offers several scholarships to assist students in courses of study leading to a career in the water environment field. This policy outlines the available scholarships along with the associated eligibility criteria and evaluation process.

8.9.1 Available Scholarships

The Association offers the following scholarships:

Jack H. Wagner Scholarship

- Amount of \$2,000.00
- Applicant must be attending full-time and must be entering the 3rd or 4th year of a four-year program, the year following receipt of the award, or in a graduate level course of study.
- Course of study shall be relevant to a career in wastewater treatment operations.

Antenore C. "Butch" Davanzo Scholarship

- Amount of \$1,000.00
- Applicant must be a high school senior interested in pursuing a course of study leading to a career in wastewater treatment or in some other aspect of the water environment field at a Michigan based college or university. Applicants must have been active with Boy Scouts or Girl Scouts of America within the past 5 years.

John P. Hennessey Scholarship

- Amount of \$2,000.00
- Applicant must be a college undergraduate or graduate student pursuing a course of study leading to a career in wastewater treatment or in some other aspect of the water environment field.

8.9.2 Applicant Eligibility Criteria

1. Applicants must attend a Michigan college or university.
2. Applicants must be pursuing a course of study leading to a career in wastewater treatment, or in some other aspect of the water environment and/or environmental engineering field.
3. Applicants must have at least a 2.5 academic average, on a 4.0 GPA academic scale.
4. A 2-year complimentary membership is included for each scholarship winner.

8.9.3 Application Requirements

Candidates for the Scholarships will be judged on the basis of their scholarship application package. The package shall include:

1. A 500-600 word paper reflecting their career interests and objectives, and how they envision using their education to enhance water quality.
2. Current copy of college or university transcripts.
3. Resume with full and part time employment history, education history and extracurricular activities.
4. Letter of recommendation from academic advisor or other appropriate official attesting to their course of study and other aspects of their application.
5. Application packages are due by February 1st of each year.

8.9.4 Application Evaluation

Applications will be judged by a panel of MWEA members, headed by the Past-President. The decision of this panel of judges will be final, and if no suitable entries are received, no scholarship may be awarded. Scholarship awards may be presented at the Annual Conference.

9. MANAGEMENT POLICIES

9.1 Discrimination

A fundamental purpose of the MWEA is to promote an environment that encourages the professional growth and education of all its members. In accordance with this purpose, no member may discriminate against or harass (sexually or otherwise) another member, spouse of a member, guest, and/or participant at any Association function in accordance with applicable state and federal laws. Any such conduct may be illegal and will not be condoned.

Discrimination includes conduct that denies any individual equal opportunity on the basis of race, color, religion, national origin, handicap, height, weight, marital status, age, gender or other as defined in the law.

Harassment involves any physical, verbal or non-verbal activity that causes a party to feel threatened, embarrassed or otherwise singled out as a result of being subject to said activity.

Sexual harassment consists of sexual advances, requests for sexual favors, and verbal or physical conduct that victimizes an individual on the basis of sex.

Anyone who feels that they have been the victim of discrimination or harassment by a staff member or another member should promptly bring it to the attention of a Board Member or the Executive Director. The Executive Director shall promptly investigate all reports of discrimination and/or harassment (in cases where the charge is made against the Executive Director, the President shall determine how best to conduct the investigation). During the investigation the accused person shall be given notice of the charges and an opportunity to be heard. The confidentiality of all persons involved shall be maintained to the extent practicable. Upon completion of the investigation, The Executive Director shall report their findings to the Board of Directors who shall then determine the appropriate follow up measures.

9.2 Conflict of Interest

Individuals involved in the investment of MWEA funds shall refrain from personal business activity that could either conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. Any material financial interests in financial institutions in which funds of the MWEA funds have been invested shall be disclosed to the Board. Further, any large personal financial investment positions that could be related to the performance of the investment portfolio shall be disclosed. Personal investment transactions shall be subordinate to those of the MWEA.

9.3 Antitrust

9.3.1 General

The MWEA, its staff, officers, directors or representatives shall not play any role or affect any decisions of its members or their employers, or in any way restrict

competition among companies. This antitrust policy applies to all activities and events, including actions conducted through the website.

MWEA members and staff will refrain from any action that might restrain trade. No illegal agreements, express or implied will be reached or carried out through MWEA sponsored events, activities in or through the MWEA website.

All members of the Board of Directors, Committee Chairs, and Local Section Chairs are to receive a copy of the MWEA antitrust policy.

No Association staff member will have the authority to communicate with officials of the Federal Trade Commission or the Antitrust Division of the Department of Justice without prior approval of the Association's legal counsel.

9.3.2 Automatically Unlawful Joint Conduct

Certain kinds of joint conduct are presumed to be unreasonable and therefore unlawful. These so-called "per se" unlawful practices are joint activities that the courts have found to clearly restrain competition.

- **Setting prices.** Agreements with the purpose or effect of setting or maintaining either prices or factors relating to prices, such as credit, discounts, profit levels, or volume of production
- **Allocating Markets.** Agreements with the purpose or effect of allocating markets, such as an agreement not to provide service to a particular geographic area, industry, or group of customers in return for a reciprocal pledge from a competitor.
- **Tying.** Agreements with the purpose or effect of requiring a customer to buy an unwanted product or service in order to obtain the product or service desired ("tying" agreements).

Agreements with the purpose or effect of refusing to deal with competitors, customers, suppliers, or other third parties (often called "group boycotts") have often been declared per se unlawful, and should be avoided.

9.3.3 Guidelines for Association Meetings and Events

Guidelines for all Association meetings whether held by the Board of Directors, Committees, Sub-committees, Local Sections are as follows:

- DO NOT discuss your prices or competitors' prices with a competitor (except when buying from or selling to that competitor) or anything which might affect prices such as costs, discounts, terms of sale, or profit margins.
- DO NOT agree with competitors to uniform terms of sale, warranties, or contract provisions.
- DO NOT agree with competitors to divide customers or territories.

- DO NOT act jointly with one or more competitors to put another competitor at a disadvantage.
- DO NOT try to prevent your supplier from selling to your competitor.
- DO NOT discuss your customers with your competitors.
- DO NOT make any statements regarding prices or matters affecting prices at Association meetings.
- DO NOT make statements about your future plans regarding pricing, expansion, or other policies with competitive overtones. Do not participate in discussions where other members do make such statements.
- DO NOT propose or agree to any standardization, which will injure your competitor.
- DO NOT attend or stay at any informal meeting where there is no agenda, no minutes are taken, and no Association staff member is present.
- DO NOT do anything before or after Association meetings, or at social events, which would be improper at a formal Association meeting.
- DO alert the Executive Director and legal counsel to anything improper.
- DO consult your own legal counsel or the Association's legal counsel before raising any matter, which you feel might be sensitive.
- DO send copies to the Executive Director of any communications, correspondence, or documents sent, received, or developed by you when acting for the Association. These also include meeting minutes and white papers/position papers.
- DO alert every employee in your organization who deals with MWEA to these guidelines.
- DO be conservative. If you feel an activity might be improper, do not do it.

The above guidelines are also applicable to all Association-sponsored events, conventions, trade shows, training seminars, conferences, task force and working group sessions, and times when individual(s) are representing the Association while attending meetings, events, etc. put on by other organizations

All MWEA associate members will have the same opportunity as anyone else to exhibit or display at any or all MWEA events, conference, trade shows and seminars.

All Association meetings (including, but not limited to, meetings of the Board of Directors, Committees, and Local Sections meetings) will be regularly scheduled. Members should never hold private or unscheduled meetings.

An agenda will be prepared for all meetings of the Association (including, but not limited to, the meetings of the Board of Directors, Committees, and Local Sections meetings).

All meeting minutes (Board of Directors, Committee and Sub-committees and Local Sections) will reflect the Association's policy of complying with the antitrust laws. These minutes will be accurate and no Secretary or Executive Director will sign minutes that have been doctored or that are incomplete.

Antitrust guidelines will be reviewed prior to the start of any meeting.

9.4 Whistleblower

The Association's Code of Ethics and Conduct requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Association, we must practice honesty and integrity in fulfilling our responsibilities and complying with all applicable laws and regulations.

9.4.1 Reporting Responsibility

It is the responsibility of all directors, officers and employees to comply with the Code and to report all violations or suspected violations in accordance with this Whistleblower Policy.

9.4.2 No Retaliation

No director, officer or employee who in good faith reports a violation of the code shall suffer harassment, retaliation, or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Association prior to seeking resolution outside the Association.

9.4.3 Reporting Violations

It is suggested that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's immediate supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with someone in Management or on the Board of Directors whom you feel comfortable approaching. Supervisors and Directors are required to report suspected violations to the Association's President otherwise known as the Association's Compliance Officer, who will then investigate all reported violations. For suspected fraud, or when you are not satisfied or comfortable with following the Association's open door policy, individuals should contact the Association's Compliance Officer directly.

9.4.4 Compliance Officer

The Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code of conduct and at their

discretion shall advise Executive Board. The Compliance Officer is required to report to the Executive Board at least annually on compliance activity.

9.4.5 Accounting and Auditing Matters

The Executive Board shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the Executive Board of any such complaint and work with the committee until the matter is resolved.

9.4.6 Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

9.4.7 Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

9.4.8 Handling of Reported Violations

The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation with 5 business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.