

**BYLAWS OF THE BOARD OF DIRECTORS
OF
SANITATION DISTRICT NO. 1**

**ARTICLE I
NATURE OF BYLAWS**

These Bylaws have been adopted by formal action of the Board of Directors of Sanitation District No. 1 (hereinafter, "SD1"), effective the 22nd day of March, 2011 to assist the Board of Directors in administering, controlling and managing the affairs of SD1. These Bylaws are not intended to restrict in any way the power and authority of the Board of Directors as authorized and enabled under Chapter 220 of the Kentucky Revised Statutes, the Kentucky Administrative Regulations and other applicable law.

**ARTICLE II
BOARD OF DIRECTORS**

1. Authority of Board of Directors. The Board of Directors shall have the full power and authority granted by Chapter 220 of the Kentucky Revised Statutes, the Kentucky Administrative Regulations and other applicable law in administering, controlling and managing the affairs of SD1.
2. Appointments to Board of Directors. Appointments to the Board of Directors shall be made by the Judges Executive of Boone, Campbell and Kenton Counties, with the approval of their respective fiscal courts, as provided in Chapter 220 of the Kentucky Revised Statutes.
3. Motions and Voting. Each member of the Board of Directors shall have the power and authority to make motions, to second motions and to vote thereon, after due deliberation and discussion. Unless otherwise agreed by formal action of the Board of Directors, all motions properly made and seconded shall be decided by the vote of a majority of the Directors present at a duly called meeting of the Directors at which a quorum is present.

**ARTICLE III
OFFICERS OF THE BOARD OF DIRECTORS**

1. Officers. The officers of the Board of Directors shall consist of a President, a Vice-President, a Secretary and a Treasurer. In addition to any duties prescribed by law, these officers shall have the duties generally described below:

- a. President. The President or his/her designee shall serve as the spokesperson and senior officer of the Board of Directors and shall officiate at all meetings of the Board of Directors. In the absence of the President, the Vice-President shall serve as the spokesperson and senior officer of the Board of Directors. The President shall also perform such other duties as may be prescribed by formal action of the Board of Directors.
 - b. Vice-President. The Vice-President shall have the powers and perform such duties as may be delegated to him/her by formal action of the Board of Directors, or in the absence of such action by formal action of the Board of Directors, by the President. In the absence or inability of the President to act, except as may be expressly limited by formal action of the Board of Directors, the Vice-President may perform the duties and exercise the powers of the President during the President's absence or inability to act. The Vice-President shall perform such other duties as may be prescribed by formal action of the Board of Directors.
 - c. Secretary. The Secretary shall ensure that the minutes of all meetings of the Board of Directors are properly prepared and maintained and shall perform such other duties as may be prescribed by formal action of the Board of Directors.
 - d. Treasurer. The Treasurer shall ensure that the annual independent audit of SD1's finances is conducted appropriately and shall perform such other duties as may be prescribed by formal action of the Board of Directors.
2. Selection of Officers of SD1. The nomination, election procedures and term of office for officers shall be governed by the following provisions:
- a. Eligibility. Each member of the Board of Directors is eligible to hold any office, except as provided herein. Each of the counties represented on the Board of Directors shall have at least one (1) representative Board Member serve as an officer of the Board of Directors in each fiscal year of SD1. No officer may hold more than one (1) office at any given time.
 - b. Time of Nominations and Election. Elections shall occur at a regularly scheduled meeting of the Board of Directors in each fiscal year for the coming fiscal year of SD1. Notwithstanding the foregoing, if a vacancy occurs in any office, then, in such event, elections for that office shall occur at the earliest regularly scheduled meeting of the Board of Directors as practical. The officers of SD1 shall be elected, in the order enumerated above, by the Board of Directors as the last order of business, under "New Business," at that meeting.

A majority of the votes of the members of the Board of Directors in attendance shall be required to elect each respective officer of SD1 for the coming fiscal year. New officers shall take office on the first day of the first month of the succeeding fiscal year of SD1, except when an officer is elected to fill a vacancy, he/she will take office immediately after election.

1. Rotation of, and Eligibility for, Office of President. The office of the President shall rotate among the three (3) counties every two (2) years. This rotation shall be implemented so that representatives of each county on the Board are exclusively eligible to be elected President during that county's two (2) years in said rotation.
- c. Term of Office. The term for each elected officer shall be for the fiscal year of SD1 or until a replacement is elected. No member of the Board of Directors may hold more than two (2) consecutive terms in the same office (for a maximum of two [2] consecutive years). The completion of an officer term of less than twelve (12) months shall not apply to this maximum two (2) consecutive term limitation.

ARTICLE IV MANAGEMENT OF THE DISTRICT

The Board of Directors shall employ an Executive Director. The Executive Director shall act as administrative officer for all SD1 operations and shall be responsible to the Board of Directors to execute the policies adopted by formal action of the Board of Directors and generally to supervise and to direct SD1's daily operations. He/she shall be responsible for the employment of all SD1 personnel. He/she shall prepare and submit an annual budget for the Board of Directors' consideration and approval in advance of each succeeding fiscal year of SD1 and he/she shall provide monthly operating reports or statements at each monthly Board of Directors meeting. The Executive Director shall execute all contracts, deeds, mortgages, bonds and other instruments and papers in the name of SD1 and on behalf of the Board of Directors and perform such other duties as may be prescribed by formal action of the Board of Directors.

ARTICLE V MEETINGS

1. Regular Meetings. The regular monthly meeting of the Board of Directors shall normally be held on the third Tuesday of the month at SD1's office, 1045 Eaton Drive, Fort Wright, Kentucky. The time, date and place of the regular monthly meeting may be changed by action of the Board of Directors.
2. Special Meetings. The President or a majority of the Board of Directors may call and conduct a special meeting, pursuant to the provisions of Chapter 220 and other pertinent

provisions of the Kentucky Revised Statutes. This special meeting may be in addition to or in lieu of a regularly scheduled meeting.

3. Conduct of Meetings. Meetings shall be conducted under the rules contained in the current edition of Robert's Rules of Order Newly Revised, except where Chapter 220 of the Kentucky Revised Statutes or these Bylaws provide a different procedure.
4. Quorum. For purposes of all regular and special meetings of the Board of Directors of SD1, a majority of the duly appointed and serving Directors shall constitute a quorum.

ARTICLE VI COMMITTEES

1. Creation. The President, with majority approval of the Board, may appoint such committees as it deems necessary to assist the Board in the performance of its duties and responsibilities.
2. Composition. Each committee shall consist of not less than two (2) members of the Board of Directors and shall serve at the pleasure of the Board of Directors.
3. Authority. Any decision of any such committee shall require formal action of the Board of Directors to be binding on SD1.

ARTICLE VII AMENDMENT

These Bylaws may only be altered, amended or repealed by formal action of the Board of Directors of SD1 at any, duly noticed, regular or special meeting of the Board if at least 21 days written notice is given to every current Board member of a potential motion to alter, amend, or repeal these Bylaws.

ARTICLE VIII INDEMNIFICATION

SD1 shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he/she, his/her testator or intestate representative is or was an Officer or Director of SD1, or is or was serving at the request of SD1 as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding, in accordance with the laws of the Commonwealth of Kentucky, and to the full extent permitted by said laws. Such indemnification shall only apply to acts performed on behalf of or in the interest of SD1 and in good faith. Indemnification shall not apply to criminal or illegal acts. Such indemnification shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, vote of disinterested directors or otherwise,

including insurance purchased and maintained by SD1, both as to action in his/her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be an Officer or Director and shall ensure to the benefit of the heirs, executors and administrators of such person.

KNOW ALL PERSONS BY THESE PRESENTS that these Bylaws were duly adopted at a regular meeting of the Board of Directors of SD1 on the 22nd day of March, 2011.

PRESIDENT
Printed Name: _____

SECRETARY
Printed Name: _____