

ARTICLES OF INCORPORATION

TWO LAKE COLLABORATIVE SEWER AUTHORITY

WHEREAS, The purpose of the Authority is to plan, design, engineer, finance, construct, and operate a public sewage disposal system serving sewage districts within the constituent municipalities of Onekama Township, Pleasanton Township, Bear Lake Township, and the Village of Bear Lake, and transporting the collected wastewater for treatment to the facilities of the Little River Band of Ottawa Indians; and

WHEREAS, the incorporating governmental units of this sewer authority are Onekama Township, Pleasanton Township, Bear Lake Township, and the Village of Bear Lake, located in Manistee County, Michigan; and

WHEREAS, the incorporating governmental units shall be constituent municipalities of this sewer authority as defined in MCL 124.281.

ARTICLE ONE - NAME

The name of this authority is the Two Lake Collaborative Sewer Authority, the Authority, with its principal office located at the Onekama Township Hall, 5435 Main Street, PO Box 458, Onekama, MI 49675, or at such other location determined by the Authority Board.

ARTICLE TWO - MUNICIPALITIES

The incorporating municipalities are Onekama Township, Pleasanton Township, Bear Lake Township, and the Village of Bear Lake, located in Manistee County, Michigan. The incorporating municipalities are constituent municipalities of the Authority.

ARTICLE THREE - STATUTORY AUTHORIZATION

The Authority is incorporated and formed as a municipal authority and public body corporate as authorized by Act 233 of 1955 as amended, Municipal Sewage and Water Supply Systems, MCL 124.281 et seq.

ARTICLE FOUR - PURPOSE

The purpose of the Authority is to plan, design, engineer, finance, construct, and operate a public sewage disposal system serving sewage districts within the constituent municipalities of Onekama Township, Pleasanton Township, Bear Lake Township, and the Village of Bear Lake, and transporting the collected wastewater for treatment to the facilities of the Little River Band of Ottawa Indians, an Indian Tribe as defined in MCL 124.281(c) with which the Authority can contract for wastewater treatment.

ARTICLE FIVE - POWERS

The Authority shall have all of the powers enumerated in the Act (233 of 1955) by which the Authority can adopt bylaws for the regulation of its affairs and the conduct of its business, adopt an official seal, maintain an office, sue and be sued, determine the location and design of a sewage disposal system and the construction, financing, and operation of the sewage disposal system, issue bonds of the Authority for any of its corporate purposes, adopt and promulgate rules and regulations for the use of the sewage disposal system, and acquire, hold and dispose of real and personal property in the exercise of Authority powers and the performance of Authority duties, and all other and related powers enumerated in the Act.

ARTICLE SIX - DUTIES

The Authority shall plan, design, engineer, develop, finance, construct, acquire, operate and maintain a sewage disposal system by agreement with the constituent municipalities and for the benefit of the customers who receive sewage disposal service. As a municipal authority and a public body corporate, the Authority shall comply with the Michigan Open Meetings Act and Freedom of Information Act.

ARTICLE SEVEN - RULES AND REGULATIONS

The Authority shall adopt rules and regulations by resolution of its governing body with a concurring resolution adopted by the governing body of each constituent municipality, and according to procedures specified in the Act.

ARTICLE EIGHT - TERM OF EXISTENCE

The Authority shall continue in existence until dissolved by the constituent municipalities or by law, but the Authority shall not be dissolved if dissolution will operate as an impairment of any contract of the Authority.

ARTICLE NINE - FISCAL YEAR

The fiscal year of the Authority shall be January 1st through December 31st.

ARTICLE TEN - GOVERNING BODY

The governing body of the Authority shall be its Board (the Board) composed of one voting representative appointed by each constituent municipality, who shall be an elected member of the governing body of the appointing constituent municipality. The members of the Board shall serve at the pleasure of the legislative body of the appointing constituent municipality and may be removed at any time with or without cause by the legislative body of the municipality which such Board member represents.

Upon approving and adopting these Articles of Incorporation, each constituent municipality shall appoint its first voting representative on the Board of the Authority.

Within 30 days of the effective date of the formation of the Authority, the appointed members of the Board shall qualify by taking an oath of office and holding an organizational meeting of the Board.

ARTICLE ELEVEN - VACANCIES

In the event of a vacancy on the Board, the legislative body of the constituent municipality selecting such representative shall fill the vacancy within 30 days.

In the event of a vacancy in any office of the Board, such vacancy shall be filled by the Board for the unexpired term. In case of the temporary absence or disability of any officer, the Board may appoint some person temporarily to act in his or her stead except that in the event of the temporary absence or disability of the Chair, the Vice-Chair shall so act. All persons serving in the offices of Chair, Vice-Chair, or Secretary shall be members of the Board; the person serving as Treasurer may be a member of the Board, but need not be.

ARTICLE TWELVE - BOARD MEETINGS

The Board shall meet annually for its organizational meeting on the first Wednesday in January. If the Board elects to have regular meetings, these meetings of the Board shall be held at such time and place as shall be prescribed by resolution or motion of the Board. Special meetings of the Board may be called by the Chair or any two (2) Board members, by serving written notice of the time, place and purpose, upon each member of the Board personally; or by leaving it at the Board member's place of residence or delivering it via facsimile, email or text message to his or her home or office at least eighteen (18) hours prior to the time of the meeting; or by depositing the same in a United States Post Office or mail box within the limits of the Authority at least seventy-two (72) hours prior to the time of the meeting, enclosed in a sealed envelope properly addressed to the Board member at his or her home or office address, with first class postage fully prepaid. Any member of the Board may waive notice of any meeting either before or after the holding thereof. Any meeting at which all members of the Board are present shall be a legal meeting for the conduct of business, notwithstanding that written notice was not provided in the manner set forth above, provided that public notice of such meeting of the Authority was given in accordance with the provisions of the Open Meetings Act. At least a majority of the membership of the Board shall be required for a quorum. Each Board member shall have one (1) vote. The Board shall act by motion, resolution or ordinance. For the passage of any motion, resolution or ordinance, the execution of any contract, and all other matters, there shall be required a majority vote of all of the members of the Board (three out of four), unless the unanimous vote of all Board members is required by these Articles.

Public notice of all organizational, regular, special or rescheduled regular or rescheduled special meetings of the Board shall be given pursuant to the applicable provisions of The Open Meetings Act.

The Board shall have the right to adopt bylaws governing its procedures and regulating the affairs of the Authority which are not in conflict with the terms of the Act, any other statute or these Articles. The Board shall have the right to establish rules and regulations in accordance with the Act for the use or administration of any Authority sewage disposal system or facility, by resolution and with concurrence by resolution of constituent municipalities. All actions of the Board of the Authority shall be governed by generally accepted rules of parliamentary procedure, fairness, civility, and common sense, not inconsistent with these Articles, the Authority ByLaws, or applicable law.

The Board shall keep minutes of its proceedings. The minutes shall show how each member voted and each member shall vote upon all motions, resolutions and ordinances unless disqualified from voting thereon by reason of any direct or indirect personal interest as defined by the conflict of interest laws of the State of Michigan. All votes shall be "yes" or "no".

ARTICLE THIRTEEN - OFFICERS AND BOARD AFFAIRS

The Board shall appoint the officers of the Authority annually by majority vote, and each officer shall be a member of the Board to qualify for appointment, except the Treasurer who need not be a Board member to qualify for appointment. The officers of the Authority shall be the Chair, Vice-Chair, Secretary and Treasurer. The Chair of the Board shall be the presiding officer. Except as otherwise provided, he or she shall not have any executive or administrative function within the Authority other than as a member of the Board. In the absence or disability of the Chair, the Vice-Chair shall perform the duties of the Chair. The Secretary shall be the recording officer of the Board. The Treasurer shall be custodian of the funds of the Authority and shall provide a bond conditioned upon the faithful performance of the duties of his or her office. The cost of this bond shall be paid by the Authority. All money

shall be deposited in a bank(s) to be designated by the Board, and all checks or other forms of withdrawal shall be signed by the Chair and the Treasurer or Secretary. The officers of the Board shall have such other powers and duties as may be conferred upon them by the Board.

The members of the Board and such officers thereof who also are members of the Board shall be paid no compensation; provided, however, that the Board may authorize the payment of the actual expenditures of any member or officer incurred in connection with the business of the Authority.

Bonds issued by the Authority, and interest coupons relating to the bonds shall be executed in the name and on behalf of the Authority by its Chair and Secretary.

The Board shall prepare, adopt and submit to their respective legislative bodies of the constituent municipalities an annual budget covering the proposed expenditures to be made for organizing and operating the Authority and for the necessary funds required from each constituent municipality for the next fiscal year beginning January 1. Such budget shall be submitted to each constituent municipality on or before October 1 of the previous fiscal year. No budget shall be adopted unless approved by a 3/4ths vote of the members of the Board; provided, however, that no obligation shall be assumed by the Authority which may then or at any time in the future become in whole or in part the individual liability of any constituent municipality without the prior consent of the constituent municipality; and provided further, that any constituent municipality may withdraw from the Authority at any time prior to the incurring of indebtedness by the Authority for which the constituent municipality may incur an individual liability without any obligation whatsoever, and may also withdraw after the assumption of indebtedness by the Authority for which the individual constituent municipality has by its prior agreement incurred an individual liability, but in the case of such latter withdrawal, the consent of the creditor shall be obtained or the individual obligation assumed by the withdrawing member shall be paid by the withdrawing constituent municipality on terms satisfactory to the creditor. During such times as the only Authority bonds outstanding are for a project or projects located exclusively in and benefitting solely one of the constituent municipalities, the constituent municipality where the project or projects are located and which is solely benefitting shall pay all of the expenses for the operation and maintenance of the Authority including, without limitation, the treasurer's bond fee and all legal, accounting and audit fees.

The basic funding formula for each constituent municipality of the Authority shall be determined by the Authority Board with the unanimous vote of all Board members. The funding formula determined by the Authority Board shall be based on a pro-rata share of project costs, number of customers, REU's, or any other factors determined by the Authority Board.

The provisions of this Article shall be considered controlling over all other provisions of these Articles of Incorporation to the extent of any conflict with them.

ARTICLE FOURTEEN - PROPERTY ACQUISITION

The Authority shall possess all powers necessary to carry out the purposes of the Authority. The Authority may acquire property by purchase, construction, lease, gift, exchange, devise or condemnation, either within or without its corporate limits, and may hold, manage, control, sell, exchange or lease such property. For the purpose of condemnation it may proceed under the provisions of Act 149, Public Acts of Michigan, 1911, as amended, or any other statute that grants a municipality or public body the authority to acquire private property for public use.

ARTICLE FIFTEEN - PROJECTS

The Authority and its constituent municipalities may enter into a contract or contracts providing for the planning, design, engineering, acquisition, purchase, construction, improvement, enlargement, extension, operation and financing of a sewage disposal system as authorized and provided in the Act. However, the Authority shall not plan, design, engineer, acquire, purchase, construct, improve, enlarge, extend, operate or finance a sewage disposal system within any constituent municipality without the prior written approval of the legislative body of that constituent municipality. The Authority can enter contracts with any of its constituent municipalities to purchase, acquire, construct, operate and maintain a sewage disposal system, but no contract shall be for a period exceeding forty years.

ARTICLE SIXTEEN - SALE OF BONDS

For the purpose of obtaining funds for the planning, design, engineering, acquisition, construction, improving, enlarging or extending of a sewage disposal system, the Authority may, by ordinance or resolution duly adopted by it, issue its negotiable bonds, secured by the contractual full faith and credit pledges of each contracting municipality, in accordance with and subject to the provisions of the Act.

ARTICLE SEVENTEEN - EMPLOYEES

The Board shall have the power to hire employees to carry out the functions of the Authority and to establish compensation for them.

ARTICLE EIGHTEEN - AUDIT

The Board shall cause an annual audit to be made of its financial transactions by a certified public accountant and shall furnish a copy to each constituent municipality.

ARTICLE NINETEEN - PUBLICATION

These Articles shall be published once in the Manistee News Advocate, Manistee, Michigan, which newspaper has general circulation within the territory encompassed by the Authority. One (1) printed copy of the Articles of Incorporation as printed in this newspaper, certified as a true copy thereof as provided below, with the date and place of publication shown by a publisher's affidavit of publication attached thereto, shall be filed with the Secretary of State and also the Clerk of the County of Manistee after the execution and publication has been completed.

The Onekama Township Clerk is hereby designated as the person to cause these Articles of Incorporation to be published, certified and filed with the Secretary of State and the Manistee County Clerk.

All expenses for the publication of these Articles and all other expenses incurred in the incorporation and establishment of the Authority shall be paid by the constituent municipalities.

ARTICLE TWENTY - EFFECTIVE DATE

This Authority shall become effective upon the filing of certified copies of these Articles of Incorporation with the Secretary of State and the Manistee County Clerk.

ARTICLE TWENTY ONE - AMENDMENTS

These Articles of Incorporation may be amended at any time to permit a municipality to become a member of the Authority, if such amendment to the Articles of Incorporation is adopted by the legislative body of the county, city, village, township or charter township proposing to become a member, and if the amendment is adopted by the legislative body of each constituent municipality of the Authority. Other amendments may be made to these Articles of Incorporation at any time if adopted by the legislative body of each constituent municipality of the Authority. Any amendment shall be endorsed, published, certified and filed in the same manner as the original Articles of Incorporation, except that the filed and printed copies shall be certified by an officer of the Authority.

These Articles have been adopted by the four incorporating municipalities, as set forth in the following endorsements, and in witness whereof the designated officials of each constituent municipality have endorsed thereon a statement of such adoption.

The foregoing Articles of Incorporation were adopted by the Onekama Township Board of Trustees, County of Manistee, State of Michigan, at a meeting duly held on the 5th day of July, 2017.

David Meister
Onekama Township Supervisor

Michelle Johnson
Onekama Township Clerk

The foregoing Articles of Incorporation were adopted by the Pleasanton Township Board of Trustees, County of Manistee, State of Michigan, at a meeting duly held on the 13th day of July, 2017.

Carol Merrill
Pleasanton Township Supervisor

Amy Cross
Pleasanton Township Clerk

The foregoing Articles of Incorporation were adopted by the Bear Lake Township Board of Trustees, County of Manistee, State of Michigan, at a meeting duly held on the 18th day of July, 2017.

Jeff Harthun
Bear Lake Township Supervisor

Deanna Pattison
Bear Lake Township Clerk

The foregoing Articles of Incorporation were adopted by the Bear Lake Village Council, County of Manistee, State of Michigan, at a meeting duly held on the 19th day of July, 2017.

Jeff Bair
Village of Bear Lake President

Cindi McPherson
Village of Bear Lake Clerk

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