

EXHIBIT 2
COMPOSITION, VOTING AND PROCEDURES OF OPERATING BOARD

1. Composition. The Operating Board (or “Board”) shall be structured as follows:
 - a. The Board shall be comprised of County and Component Agency Members. The Board will include up to three (3) County Members and seven (7) Component Agency Members. The Component Agencies will be sorted into seven categories based on percentage of Total Customers as follows: (i) Seattle; (ii) Cities Small; (iii) Cities Medium; (iv) Cities Large other than Seattle; (v) Districts Small; (vi) Districts Medium; and (vii) Districts Large. There will be one Member per category of Component Agency.
 - b. Each of the Component Agencies in each of the categories, except the Seattle category, shall elect its Member for its respective category to the Operating Board by majority vote within each category. The City of Seattle and the County may select its Member(s) in a manner the City and the County chooses, respectively. The Component Agencies shall notify the County in writing of their Member selections. If any Component Agency category, except Seattle, fails to elect a Member, then the Component Agencies within the other two city or district categories, as the case may be, shall elect an at-large Member and alternate for that city or district category for an initial or three (3) year term.
 - c. Once the Board is duly constituted, the Board will randomly select two (2) of the six (6) Members from the City and District categories to have initial three (3) year terms, two (2) of the six (6) Members to have initial two (2) year terms, and two (2) of the six (6) Members to have initial one (1) year terms. Except for the initial term of the Board, the term of each Board position shall commence on January 1 and shall be for three (3) years. Board Members from the City and District categories may serve up to two successive three-year terms not including the initial term if the initial term is less than three (3) years.
 - d. Alternate Board Members for each Component Agency category shall be elected or selected at the same time as Board Members, as part of the same process identified in section 1.c. above. The terms for alternates shall coincide with the term of their respective Board Members.
 - e. All Board Members and their alternates shall serve without compensation.
 - f. The County and the Component Agencies may have other staff attend and participate in Board meetings, but only Board Members or alternates may vote.
 - g. Board Members shall, to the best of their abilities, act in the best interests of the County Regional Wastewater System as a whole and shall not represent solely the interest of a group of Component Agencies or an individual Component Agency.

2. Voting. On all matters that come before the Board, the votes of the County Members shall add up to one and the votes of all the Component Agency Members shall add up to one. The one vote for the Component Agency Members shall be determined based on any of the following:

Board Members that represent at least 50% of the Total Customers and at least three of the votes.

An alternate Board Member may vote in the absence of a Board Member. A quorum of five (5) Component Agency Board Members or alternate Board Members present shall be required for any vote. Neither Members of the Board nor alternate Board Members may grant proxies for any vote.

3. Procedures of the Board. The Board will develop a charter, bylaws and procedures for operating consistent with the Agreement and this Exhibit 1 (“Board Documents”), which shall address, at a minimum, the following:

- a. The Board shall have a Chairperson and a Vice Chairperson who will be selected in a manner and have duties as defined in the Board Documents. A County Board Member designated by the County shall be the Acting Chairperson until such time as the Board elects a Chairperson.
- b. The Board shall have the authority to establish committees.
- c. The Board shall adopt a regular meeting schedule and notify all Component Agencies of the schedule.
- d. The latest edition of Roberts Rules of Order shall, in the absence of agreement by the Operating Board on procedural matters, govern all meetings.

4. Component Agency Category Classification. A current list of the Component Agencies, and their respective category assignments and Total Customer percentage is set forth in the attached Table 1. The Board will update Table 1, including updated Total Customer percentages and any reassignments of a Component Agency from one City or District category classification to another, every six (6) years. After each update to the Total Customer percentages (up to the tenth decimal), the City and District Component Agency Members of the Operating Board shall be reassigned, if needed, based on the aggregate Total Customer percentage allocated to the City and District categories, respectively, divided by three.

The Parties acknowledge that the percentages of Total Customers will change over time and at any time may vary materially within the small, medium and large categories of Cities and Districts. Nonetheless, it is the intent of the Component Agency allocation formula to provide consistent and equal representation among the categories of small, medium and large cities and districts, respectively, as illustrated by the attached Table 1.

5. Board Staff. Division staff will provide administrative and logistical assistance to the Board.

6. Open Meetings. All meetings of the Board shall be subject to the Open Public Meetings Act, Ch. 42.30 RCW.
7. Responsibilities and Authority of the Board. Where no clear responsibility or authority on an issue is established in this Agreement, the responsibility and authority shall rest with the County.

Table 1. Component Agency Categories for Board Composition Based on share of Total Customers* of the County Regional Wastewater System

SEATTLE – 1 REP (40% vote)

Seattle 40.19%

CITY LARGE – 1 REP (12% vote)

Bellevue 8.86%

Kent 4.98%

DISTRICT LARGE – 1 REP (8% vote)

Alderwood 5.9%

Soos Creek 4.83%

CITY MEDIUM – 1 REP (12% vote)

Auburn 4.12%

Redmond 4.12%

Renton 3.95%

DISTRICT MEDIUM – 1 REP (8% vote)

Northshore 4.01%

Ronald 2.67%

Valley View 2.0%

CITY SMALL – 1 REP (12% vote)

Kirkland 2.06%

Issaquah 1.49%

Mercer Island 1.19%

Tukwila 1.09%

Bothell 0.96%

Lake Forest Park 0.54%

Pacific 0.35%

Brier 0.24%

Algona 0.18%

Black Diamond 0.14%

Carnation 0.12%

Highlands 0.01%

DISTRICT SMALL – 1 REP (8% vote)

Sammamish Plateau 1.87%

Cedar River 0.73%

Skyway 0.72%

Woodinville 0.68%

NE Sammamish 0.65%

Coal Creek 0.52%

Lakehaven 0.12%

Vashon 0.12%

Muckleshoot 0.05%

Cross Valley 0.04%

Olympic View 0.03%

*This table is based on the understanding that aggregate non-Seattle Total Customers represent approximately 36% and aggregate district Total Customers represent approximately 24%, respectively, of the total Total Customers of the County Regional Wastewater System.