

BYLAWS OF THE ARIZONA HYDROLOGICAL SOCIETY FOUNDATION

1.0 ARTICLES OF INCORPORATION

1.1 Name. The name of the organization is “ARIZONA HYDROLOGICAL SOCIETY FOUNDATION” (the “Foundation”).

1.2 Reference to Articles. Any reference made herein to the Foundation’s Articles refer to its Articles of Incorporation and all amendments thereto as filed with the Arizona Corporation Commission, together with any and all certificates filed by the Foundation with the Arizona Corporation Commission (or any successor to its functions) pursuant to applicable state law. Any reference herein made to law will be deemed to refer to the law of the State of Arizona, including any applicable provision of Title 10 of the Arizona Revised Statutes, or any successor statute, as from time to time amended and in effect. References to specific sections of law herein made shall be deemed to refer to such sections, or any comparable successor provisions, as from time to time amended and in effect.

1.3 Seniority. In cases of conflict the law and the Articles (in that order of precedence) will be considered senior and superior to these Bylaws, with any inconsistency to be resolved in favor of the Articles, and these Bylaws shall be deemed automatically amended from time to time to eliminate inconsistencies which may then exist.

1.4 Hydrological Associations. The Foundation commonly works in association and agreement with Hydrological Associations and Societies, preferably non-profit corporations that operate in Arizona and the Arid Southwestern United States, however, the Foundation is independently incorporated with the State of Arizona and includes no financial or obligatory ties to those organizations.

2.0 FOUNDATION OPERATION

2.1 Directors and Officers. The Foundation is directed by a Board of Directors consisting of nine (9) appointed Directors, including four (4) elected Officers. The Foundation Board of Directors determines and administers all Foundation operations and policies, including but not limited to compliance with the law of the State of Arizona, the Articles of Incorporation, and these Bylaws. The Foundation has no members.

2.2 Purpose. The Foundation functions as a charitable organization to provide support for advancing the science, practice, education, and public understanding of hydrology and water resources in the semi-arid Southwest. The Foundation Board of Directors has three primary duties:

- a) Invest and safeguard the assets of the Foundation.
- b) Increase the assets of the Foundation through fundraising and solicitation of available grant monies.
- c) Distribute the assets of the Foundation to deserving individuals and organizations in a manner that promotes hydrology-related education or otherwise meets the purpose and mission of the Foundation, as determined by the Foundation Board of Directors.

2.3 Director Approval. New Foundation Directors are nominated by the sitting Foundation Board of Directors, and are appointed to the Foundation Board in accordance with Section 3.0 below. Officers of the Foundation Board of Directors are elected by the sitting Foundation Board, in accordance with Section 4.0 below.

2.4 Meetings. The Foundation Board of Directors meets no less than four times annually for discussions and actions as needed, in accordance with Section 5.0 below.

3.0 FOUNDATION BOARD OF DIRECTORS

3.1 Board of Directors. The Foundation Board of Directors (the "Foundation Board") consist of nine (9) Directors who set and administer all policy and operations of the Foundation; direct the Officers of the Board; and determine and direct all investment, fundraising, and disbursement policies and actions of the Foundation. If the number of Directors falls below nine, new Directors will be nominated and appointed to fill those vacancies in accordance with Sections 3.2 to 3.8 below. There are no other elected, appointed, volunteer, or paid "members" of the Foundation.

3.2 Representation of Hydrological Societies. While in good standing as an Arizona Non-Profit Corporation, and as long as they are actively functioning as an organization, there shall always be at least one Arizona Hydrological Society (AHS) Corporate Board member, specifically the AHS Vice-President, on the Foundation Board to represent the interests of AHS in all Foundation activities and to facilitate communication between the two Boards. If that member relinquishes his or her position on either the AHS or the Foundation Board, and no other Foundation Director is a current member of the AHS Corporate Board, the AHS Corporate Board shall be solicited for an immediate replacement. That AHS Corporate Board nominee will be approved and appointed in accordance with Sections 3.3 to 3.8 below.

3.3 Director Terms of Office. The term of office for each Director is three calendar years, starting in January of the first year and continuing through December of the third calendar year. Upon expiration of a Director term of office, a new Director will be selected and approved in accordance with Sections 3.3 through 3.13 below. Director vacancies shall be filled such that the number of active Directors is nine, three Directors retire in normal succession each year, and three new Directors are appointed each year. Other Director vacancies that may occur are filled in accordance with Sections 3.4 to 3.8 below.

3.4 Schedule for the Annual Nomination of Director Candidates. Nominations of Director candidates for normal rotational term vacancies that will occur in the upcoming calendar year shall be concluded by the Foundation Board prior to the completion of the 4th quarter meeting of each year.

3.5 Nomination of Director Candidates. Any candidate may be nominated by any sitting Foundation Director to fill new or upcoming Director vacancies. Upon receipt of nominations, the Foundation Secretary shall a) contact each nominee within one week of their nomination to provide the nominee the opportunity to accept or decline the nomination; b) within one week of his or her acceptance, circulate the name(s) of the nominee(s) to all Directors. If the number of nominees is greater than the number of upcoming vacancies, the Foundation Secretary shall set a date for election of candidates by the Foundation Board as described in Section 3.6, below.

3.6 Selection of Director Candidates. If the number of Director candidates is equal to the number of current or upcoming vacancies, the candidate list is considered final. If the number of Director candidates is less than the number of current or upcoming vacancies, the Foundation Board President will appoint additional Director candidates to fill those vacancies. If the number of Director candidates is greater than the number of upcoming vacancies, candidates will be selected by a simple majority

vote of the Foundation Board. The number of Director candidates to be selected will be equal to the number of Director vacancies in the upcoming calendar year. In the case of a tie vote for any nominee, the Foundation President shall select the final candidate.

3.7 Additional Director Nominations. If a Director vacancy occurs outside of the normal term rotation, due to retirement, illness, removal from office, or any other reason, a new Director candidate shall be nominated by simple majority vote of the Foundation Board.

3.8 Appointment of Directors. Director candidates shall be appointed to the Foundation Board by the Foundation Board President, or the appointed representative of the Foundation Board President, at the next regular meeting of the Foundation Board, and no later than the first quarter meeting of the year following the approval of the candidate.

3.9 Resignations. Any officer, Director, or committee member may resign from his or her office at any time by written or verbal notice delivered to the Foundation Board. Any such resignation will be effective upon its receipt by the Foundation President unless some later time is therein fixed, and then from that time. The acceptance of a resignation will not be required to make it effective. Mid-term vacancies will be handled according to Section 3.7 above.

3.10 Removal From Office. A Director may not be removed from office except upon the establishment of misfeasance, malfeasance, or nonfeasance, as determined by unanimous vote of the other eight members of the Foundation Board, under the mechanisms described in the conflict of interest statement attached hereto.

3.11 Compensation and Salaries. No compensation, salary, stipends, or allowances shall be paid to any Foundation Director in any form. Automobile mileage associated with attendance at Foundation Board meetings will be paid and shall consist of reimbursement for mileage at the prevailing federal reimbursement rate. Reimbursement shall be made by the Treasurer, to any Director, following submittal of travel expense receipts to the Treasurer. Meals and lodging will not be reimbursed.

4.0 OFFICERS OF THE FOUNDATION BOARD OF DIRECTORS

4.1 Officers of the Foundation Board of Directors. The Foundation Board shall elect four Directors to be Foundation Board Officers by simple majority vote. The officers are President, Vice President, Secretary, and Treasurer. Officer candidates will be nominated by the Foundation Board and must be current Foundation Board Members.

4.2 Officer Terms of Office. The term of office for each elected Foundation Board Officer is two calendar years, starting January 1, and ending December 31 the following year. The terms of the President and the Secretary will run concurrently, as will the terms of the Vice President and Treasurer, however they will be elected in alternate years.

4.3 Duties of the President. The President will perform such duties as may be designated by the Foundation Board, including but not limited to: execute the business affairs of the Foundation Board subject to their direction; organize and set meetings, including soliciting the preferences of all Directors for the time, place, and agenda of each meeting; ensure that the Secretary has circulated the meeting announcement and agenda in a timely fashion; conduct meetings of the Foundation Board; appoint the Vice President as successor when he/she is unable to perform the functions of the office of President. Additionally, the President has the authority to select a Foundation Board candidate in the case of a tie of a majority vote of the Directors, even though the President may have participated in that tie vote.

4.4 Duties of the Vice-President. The Vice President will perform such duties as may be designated by the Foundation Board or assigned or delegated by the President. The Vice President will be vested

with all of the powers and charged with all of the duties of the President in the event of the President's absence or inability to act. The President and Vice President will be the officers designated to sign documents on behalf of the Foundation.

4.5 Duties of the Secretary. The Secretary will be custodian of the corporate records, and, in general, will perform all duties essential and incidental to the office. The Secretary or appointed substitute will take and keep the minutes of all meetings of the Foundation Board of Directors, and will see that all notices are duly given in accordance with the provisions of these Bylaws or as required by State law. The Secretary shall organize and maintain a history of the Foundations' meeting minutes and actions, and compile the voting record of all Foundation Board decisions. The Secretary is also required to maintain the record of Director Service, included with these bylaws as Attachment A.

4.6 Duties of the Treasurer. The Treasurer will be the statutory agent of the Foundation and will coordinate and be responsible for all filings and requirements of the Arizona Corporation Commission and the Internal Revenue Service. The Treasurer will perform such financial duties and actions as may be designated by the Foundation Board, including but not limited to keeping full and accurate accounts of receipts and disbursements in treasury and financial records belonging to the Foundation; causing all money and other valuable effects to be deposited in a timely fashion in the name and to the credit of the Foundation; distributing or disbursing funds as directed by the Foundation Board, including both charitable or investment distributions; and meeting all financial obligations of the Foundation in a timely fashion. The Treasurer shall make no unbudgeted disbursement of funds without authorization of the Foundation Board of Directors. The Treasurer will prepare and deliver at the first quarter Foundation Board meeting; an account of all Foundation Treasury transactions for the previous year; the financial status and condition of Foundation; and a proposed operating budget for the upcoming year, including but not limited to an estimate of the dollar amount of distributions to be made for that year. The Treasurer shall be responsible for preparing and filing such financial reports, financial statements, and state and federal tax returns as may be required by law and the Foundation Board of Directors. The Treasurer shall conduct all Foundation financial business and transactions in accordance with any Treasury Operating Procedures, as may or may not be adopted by the Foundation Board, and all Generally Accepted Accounting Principles.

5.0 MEETINGS

5.1 Quarterly meetings of the Foundation Board of Directors. The Foundation Board shall conduct a minimum of four (4) meetings each calendar year, to coincide with the four quarters of the year. It is the duty of the President and Secretary to organize, publicize, and call the annual meetings. The Secretary shall provide written notice of the time, place, and agenda of any quarterly meeting to all Foundation Directors at least 30 days prior to the meeting.

- a) The first quarter meeting will be at a time and place to be agreed upon by the Foundation Board.
- b) The second quarter meeting may be in person or by teleconference, in accordance with Section 5.6 below, as will be determined by agreement of the Foundation Board.
- c) The Foundation Board will endeavor to hold the third quarter meeting as an Annual Meeting at or in association with the AHS Annual Symposium.
- d) The fourth quarter meeting may be in person or by teleconference, in accordance with Section 5.6 below, as will be determined by agreement of the Foundation Board.

5.2 Special Meetings. Special meetings of the Foundation Board may be held at any time and place determined by the President or by a simple majority of the Foundation Board. All Directors must be notified by the Secretary or President at least one week prior to a special meeting.

5.3 Foundation Annual Meeting Presentation. A presentation shall be made by the President and the Treasurer at the Foundation Annual meeting, at or in association with the Arizona Hydrological

Society to inform the public of the activities of the Foundation and its financial status, respectively. The Annual Meeting Presentation may be repeated at other hydrological societies or affiliated organizations by any member of the board, upon majority approval of the Board, as opportunities permit.

5.4 Quorum. At any meeting of the Foundation Board, five (5) Directors must be present to constitute a quorum for such meeting. All Directors must have been informed of the meeting in advance in accordance with Section 5.1, for the meeting and the quorum to have authority. No official Foundation business will be conducted without a quorum present.

5.5 Voting. All matters submitted to a meeting of the Foundation Board where a quorum has been formed, other than removal of a Director from office (see Section 3.13), shall be resolved by a simple majority of the votes cast.

5.6 Meetings by Teleconference. Any member of the Foundation Board or any committee thereof may participate in any meeting of the Foundation Board or such committee by means of teleconference, internet, or similar communication equipment whereby all members participating in such meeting can hear and talk to one another. Participation in such conference communications shall constitute attendance in person.

5.7 Action by Directors Without a Meeting. Any action required or permitted to be taken at a meeting of the Foundation Board or of any committee thereof may be taken without a meeting if all Directors or committee members consent. Such consent shall have the same effect as a unanimous vote of the Directors or committee members at a meeting duly called and announced. This consent may be obtained by e-mail, facsimile, postal mail, or verbal communication.

5.8 Committees. The Foundation Board may, from time to time and by resolution, appoint standing or ad-hoc committees and vest such committees with such powers as the Foundation Board may include in the resolution. Any committee of the Foundation shall be chaired by a Director. No member of a committee who is not a Director shall be considered a member of the Foundation or have the fiscal authority for the Foundation.

5.9 Presumption of Assent. A Director who is present at a meeting of the Foundation Board or a committee at which action is taken on any matter will be presumed to have assented to the action taken unless his or her dissent is entered in the minutes of the meeting, or unless he or she files a written dissent to such action with the Secretary of the meeting before the adjournment, or forwards his or her dissent by registered or certified mail to the Foundation Secretary within two business days after the adjournment of the meeting. A right to dissent will not be available to a Director who voted in favor of the action.

6.0 AMENDMENT OF BYLAWS

Foundation bylaws may be altered, amended, supplemented, or repealed, or new bylaws may be adopted, by an affirmative and unanimous vote of all nine Directors of the Foundation Board.

7.0 CONFLICT OF INTEREST STATEMENT

The Foundation Conflict-of-Interest statement is attached hereto as Appendix B and incorporated herein by reference.