

**MEMORANDUM**

To: Interim Board members

CC: John Moriarty, Janice Mackey

From: Michelle Bussard, Chair Organizational Development Team

Date: April 20, 2006

Subject: Draft Articles of Incorporation, Framing the Bylaws and Draft Bylaws

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I'm pleased to convey the recommendations that have emerged from the Organizational Development Team (OD Team). This memo describes those recommendations and discusses "next steps".

What we heard is that it is absolutely critical for the Network structure to reflect the following "principles" or characteristics:

- Inclusivity
- Fair and broad geographic representation
- Regional control over respective regional representatives to the Board
- No membership requirements or barriers
- No dues at this time
- Transparent decision-making
- Everyone is 'in' unless they opt out

Nearly all of the OD Team members felt that organizing as a *non-membership corporation* was the best way for the Network to embody these principles; it should be noted that one team member felt that a *membership corporation* would best meet these needs. In the spirit of honoring the OD Team's recommendation, the materials associated with this memo are drafted to reflect a non-membership corporation. Should the Interim Board decide to proceed with a membership corporation, the Articles of Incorporation and Bylaws would be re-drafted to reflect that decision.

Based on our conversations and the nearly total agreement of the OD Team, we are recommending that the Network incorporate as a non-member corporation and, just as a number of decisions were remanded by the Assembly to the Interim Board, the Interim Board remand a decision to the Board that will be elected at the next annual meeting in October whether or not it wishes to evolve into a membership corporation. This would also provide an opportunity to engage in focused group work with councils from throughout the state on these issues so that the decision is clearly one that has had ample feedback and consideration by all.

What is also very apparent is that the terms *non-membership corporation* and *membership corporation* (as defined by ORS 65) are somewhat counter intuitive and confusing. Therefore, to make it easier for the Interim Board and councils to consider this

recommendation we think it's important to frame the proposed bylaws broadly in terms of principles, rather than in detailed legal language. The proposal on the following pages includes those broad principles, and with your approval this language will be shared with all watershed councils.

Included as well for the Board, are complete draft Bylaws for you to review and to discuss steps towards finalizing. These are being shared simultaneously with the OD Team and we will be looking to the Board for guidance in developing alternative language or addressing any concerns that emerge. In particular, whether the Bylaws as drafted reflect the principles expressed in this memo.

In terms of next steps, this is how the OD Team has envisioned the process (see below).

**April 20: Interim Board Package**

After soliciting final feedback from the OD Team, forward the briefing packet to the Interim Board. The packet consists of this memo, including Bylaw Principles, and the actual draft Bylaws. (*Completed*)

**April 27-28: Interim Board Meeting and Key Decisions**

The Board will be asked to make 3 key decisions that would be forwarded as *recommendations* to all councils

- 1) Recommendation on non-member or member corporation
- 2) Approval of the Articles of Incorporation
- 3) Discuss, modify and approve Bylaw Principles and potentially engage in first review of actual draft bylaws with comments referred to OD Team

**May 8: Mailing to Councils**

A mailing would go out to all councils with the IB recommendations as developed at the Board meeting.

**July 10-19: Interim Board Meeting and Key Decisions**

The Board would have received a final draft of the Bylaws based on work completed following the 4/27-28 meeting and will be asked to take action on recommending approval, or modifications

**August 1-10 Prepare package for submission to all councils**

This package includes:

- Draft Bylaws
- Brief explanation of decision-making process (by consensus)
- Request for Councils to review with the Board members so that their representatives at the October annual meeting are empowered to make a decision on the bylaws.

**August 14: Package out**

**August 16-October 23: Follow-up/Outreach**

**October 24: Annual Meeting & All Councils register their position on bylaws**

**Bylaw Principles: Framing and Developing the Network of Oregon Watershed Councils as a Non-Profit Corporation**

Article 1 – Purpose

This will set forth the purpose of the corporation which is drawn directly from the Network’s founding principles and mission statement. It will say that the corporation’s primary purpose shall be to support watershed councils in Oregon by building council capacity, improving key relationships, and promoting awareness and understanding of watersheds and watershed councils.

Article 2 – Type of Corporation

In recommending incorporating as a non-membership organization, the OD Team considered the consensus that emerged in Bend and has been reaffirmed by the Interim Board that the Network should be broadly inclusive and transparent in its decision making; that there should be no membership requirements; and, that the Network should be open to all watershed councils as defined by Oregon statute unless they choose not to be involved.

Article 3 – Term and Election and Meetings

This Article will adhere to the principle of geographic diversity and fairness and to the consensus that the Network will draw equally statewide from six regions that will nominate up to two representatives to the Board of Council Representatives. It will also set term limits for representatives of 3 two-year terms with one year hiatus before serving again as a representative.

Also, the Bylaws will provide for the appointment of at-large members to be solicited from the Assembly. This will result in a total of 10-14 representatives. In addition, the Board will appoint one or more *ex officio* (by virtue of their position) non-voting members who will serve in an advisory capacity only. Unless and until determined otherwise, the Assembly will elect Board representatives every year at the Annual Meeting.

Decision-making based on a consensus model will be outlined with the provision of going to a super majority (75%) vote if consensus cannot be reached (the decision whether to move to a supermajority vote is based on a “consensus minus one” decision).

The emphasis on an annual meeting of the Network’s Board held in conjunction with the Assembly of Watershed Councils will be expressed in Article 3, as well as the intention to meet quarterly.

#### Article 4 – Committees

Committees of the Board such as an Executive Committee and Resource Development Committee will be outlined in this section. This is also where the importance of task forces and advisory committees will be underscored for the purpose of encouraging feedback on maintaining transparent decision-making. Currently, the Interim Board has adopted a policy to NOT have an Executive Committee.

#### Article 5 – Officers

As a corporate entity, it is essential that the Network elect officers. This section will express a process for doing so and provide for a: Chair (or Co-Chairs), Vice Chair, Treasurer and Secretary. Additional officers can be added at the discretion of the Representatives.

#### Article 6 – Indemnification

This section simply says that the corporation will indemnify its officers and Network Board Representatives to the fullest extent allowed by Oregon law.

#### Article 7 – Amendments to Bylaws

This section will reflect the importance that any changes to the Bylaws will be presented for to the Assembly of Watershed Councils for their consent, and that advance notice will be provided through newsletter, website and emails.