

# BYLAWS

of

## Dallas County Utility and Reclamation District

(Revised as of September 18, 2001)

### ARTICLE I: LEGAL STATUS

**Section 1.01.** Dallas County Utility and Reclamation District (“the District”) is a conservation and reclamation district, a governmental body, and a political subdivision of the State of Texas initially created as a municipal utility district on August 12, 1973 by the Texas Water Commission acting under the authority of Chapter 54 of the **Texas Water Code** and of Article XVI, Section 59 of the **Texas Constitution**. Effective February 1, 1984 the District became a special law district and body politic through the enactment of Senate Bill No. 963, 68<sup>th</sup> Legislature, Regular Session, 1983. Subsequent special laws enacted by the Texas Legislature that govern the District are House Bill No. 2421, 69<sup>th</sup> Legislature, Regular Session, 1985; House Bill No. 2507, 70<sup>th</sup> Legislature, Regular Session, 1987; and House Bill No. 1700, 71<sup>st</sup> Legislature, Regular Session, 1989. Senate Bill No. 861, 72<sup>nd</sup> Legislature, Regular Session, 1991; Senate Bill No. 584, 74<sup>th</sup> Legislature, Regular Session, 1995; Senate Bill No. 1771, 76<sup>th</sup> Legislature, Regular Session, 1999; and Senate Bill No. 1881, 76<sup>th</sup> Legislature, Regular Session, 1999. Chapter 54 of the **Texas Water Code**, Senate Bill No. 963, House Bill No. 2421, House Bill No. 2507, House Bill No. 1700, Senate Bill No. 861, and Senate Bill No. 584 are hereinafter identified as “the governing laws”.

### ARTICLE II: OFFICES

**Section 2.01.** The official office shall be 3900 Colorado Drive, Irving, Texas, which is a public place within the District.

### ARTICLE III: BOARD OF DIRECTORS

**Section 3.01.** The Board of five (5) Directors selected as provided in the governing laws shall govern the District. The Directors shall exercise those powers and authorities and shall be subject to the limitations provided in the governing laws. Under the provisions of the governing laws the Board of Directors shall have control and management of all of the affairs of the District.

**Section 3.02.** The Board of Directors shall have the power under and in accordance with the governing laws:

- a. to create officerships and to elect or to appoint natural persons to serve in those officerships;
- b. to adopt and to amend the Annual Operating Budget subject to approval by the City Council of the City of Irving, Texas;
- c. to adopt and to amend rules and regulations governing the property owned or controlled;
- d. to adopt and to amend rules and regulations governing the property owned or controlled;
- e. to adopt and amend rules governing the officers and the employees and their compensation;
- f. to select consultants to provide professional services;
- g. to authorize the publication of a notice to bidders of any contract, the cost of which is estimated to exceed \$25,000;
- h. to authorize the execution of any contract, the total cost of which is \$5,000 or more; and
- i. to select a depository or depositories;
- j. to adopt a tax rate annually; and
- k. to approve the annual tax roll.

**Section 3.03.** The Board of Directors, except as otherwise provided by these Bylaws or by the laws of the State of Texas, may authorize any officer or employee to enter into any contract or execute and deliver any instrument in the name of and on behalf of the District and such authority may be general or confined to specific instruments. Unless so authorized, no officer, agent or employee shall have any power of authority to bind the District by any contract or engagement, to pledge its credit, or to render it liable pecuniary for any purpose or in any amount.

#### **ARTICLE IV: MEETINGS OF THE BOARD OF DIRECTORS**

**Section 4.01.** Regular meetings of the Board of Directors shall be held on the third Tuesday of each month at 8:00 a.m. at the place stated in the notice of the meeting, which notice shall be prepared and signed by the General Manager.

**Section 4.02.** Special meetings of the Board of Directors may be held on the call of the President or, if he is deceased, disabled, incapable of acting or absent, on the call of the Vice President. Special meetings may be held within or without the District.

**Section 4.03.** All meetings, whether regular or special, shall be called and held in full compliance with the **Texas Open Meetings Act**.

**Section 4.04.** The agenda for each regular or special meeting shall be prepared by the General Manager and shall be delivered to each member of the Board of Directors and to each of the District's general obligation bond insurers at least five (5) working days prior to the date on which the regular or special meeting is to be held.

**Section 4.05.** On the basis of a written request **either** from the President (**or**, in his absence, from the Vice President) **or** from three (3) members of the Board of Directors, the General Manager shall place the specified item or items on the agenda for an upcoming meeting if that written request is received at least seven (7) working days prior to the date on which the regular or special meeting is to be held.

## **ARTICLE V: ELECTIVE OFFICERS**

**Section 5.01.** After the first members of the Board of Directors have been appointed by the City Council of the City of Irving, Texas in 1999 and have qualified in office and thereafter annually in the month of October or as soon thereafter as is practical, the Board of Directors shall elect from among its membership the following Elective Officers: a President, a Vice President, and a Secretary-Treasurer.

**Section 5.02.** The term of office for all Elective Officers shall be **either** until the following October **or** until their successors have been elected and qualified in office, *or* until their death, resignation, or removal from office.

**Section 5.03.** Any officer elected by the Board of Directors may be removed any time by the Board of Directors, but such removal shall be without prejudice to the contract rights, if any, of the person removed. Election of any officer or employee shall not of itself create contract rights.

**Section 5.04.** Any vacancy occurring in any Elective Office by death, resignation, removal, or otherwise, shall be filled by the Board of Directors at any regular or special meeting.

**Section 5.05.** The Directors are entitled to receive as fees not more than the amount provided by the laws of the State of Texas.

## ARTICLE VI: DUTIES OF ELECTIVE OFFICERS

**Section 6.01.** The President shall:

- a. be the District's chief executive officer as provided in the governing laws;
- b. preside at all meetings of the Board of Directors;
- c. nominate to the Board of Directors for approval those persons to serve as Appointive Officers;
- d. exercise general control and direction of the District's Appointive Officers and other employees; and
- e. nominate those persons or firms to serve as General Consultants.

**Section 6.02.** The Vice President shall act as President in case of the absence, death, or the disability of the President.

**Section 6.03** The Secretary-Treasurer shall:

- a. be charged with the duty of seeing that all records and books of the District are properly kept;
- b. supervise the preparation and maintenance of the Minutes of the Board of Directors and of its duly constituted committees; and
- c. act as President if both the President and Vice President are absent and disabled.
- d. in coordination with the President, supervise the District's banking, budgeting, disbursing, financing, and financial reporting activities.

## ARTICLE VII: APPOINTIVE OFFICERS

**Section 7.01.** The Appointive Officers of the District shall be a General Manager, a Chief Financial Officer/Tax Assessor Collector and an Assistant Secretary, who is not an Elective Officer.

**Section 7.02.**

- a. The General Manager shall be nominated by the President and shall be approved by the Board of Directors before taking office.

- b. All other appointive officers shall be nominated by the General Manager and shall be approved by the President before taking office.

## **ARTICLE VIII: DUTIES OF THE APPOINTIVE OFFICERS**

**Section 8.01.** The General Manager shall:

- a. by the chief administrative officer;
- b. be responsible to the President and to the Board of Directors for the administration of all activities except as otherwise provided herein;
- c. recommend to the President and to the Board of Directors all engineering, planning, surveying, architectural, planning, transportation, and other similar consultants to be employed for capital project related purposes;
- d. recommend to the President those persons who are to be employed to fill positions which are directly responsible to the General Manager; and
- e. perform those other duties that may be required of him by the President and the Board of Directors.

**Section 8.02.** The Chief Financial Officer/Tax Assessor Collector shall manage all financial activity of the District.

**Section 8.03.** The Chief Financial Officer/Tax Assessor Collector shall have the duties, responsibilities, and powers provided in the governing laws.

**Section 8.04.** The Assistant Secretary shall, in the absence or disability of the Secretary or the Assistant Secretary (who is an Elective Officer), perform the duties and exercise the power of Secretary. He shall be entitled to certify as to the authenticity as to any records, including all proceedings relating to bonds, contracts and indebtedness.

## **ARTICLE IX: OTHER EMPLOYEES**

**Section 9.01.** All other employees shall be employed in accordance with policies and procedures approved by the Board of Directors.

## **ARTICLE X: GENERAL CONSULTANTS**

**Section 10.01.** The Board of Directors may employ, by written contract, General Consultants, including but not limited to General Counsel, Bond Counsel, Financial Advisor, Independent Auditor, and Insurance Advisor.

**Section 10.02.** Any written contract for employment of a consultant shall be approved by the Board of Directors.

## **ARTICLE XI: FISCAL YEAR**

**Section 11.01.** The fiscal year shall begin on October 1 of each year and shall end on September 30 of the following year.

## **ARTICLE XII: INDEMNIFICATION AND LEGAL EXPENSES**

**Section 12.01.** Any person made a party to or involved in any litigation (including any civil, criminal or administrative action, suit or proceeding) by reason of the fact that he is or was a director or officer or by reason of his alleged negligence or misconduct in the performance of his duties as such director or officer shall be indemnified by the District (to the extent funds are lawfully available and upon the conditions set forth below) against any liability together with the reasonable expenses, including attorney's fees, actually and necessarily incurred by him in connection with any action therein, except in relation to matters as to which it shall be adjudged in such litigation that such director or officer is liable for gross negligence or willful misconduct in the performance of his duties. (A conviction or judgment entered in connection with a compromise or settlement of any such litigation shall not by itself be deemed to constitute an adjudication of liability for such negligence or misconduct.)

**Section 12.02.** As used herein the term "expenses" shall include fines or penalties imposed and amounts paid in compromise or settlement of any such litigation only if (a) independent legal counsel designated by a majority of the members of the Board of Directors other than those who have incurred expenses in connection with such litigation for which indemnification has been or is to be sought shall have advised the Board of Directors that the opinion of such counsel such director or officer is not liable to the District for gross negligence or willful misconduct in the performance of his duties in respect to the subject of such litigation, and (b) a majority of such members of the Board of Directors shall have made a determination that such compromise or settlement was or will be in the interest of the District.

**Section 12.03.** Any amount payable by way of indemnity under Article XII of the District's Bylaws may be determined and paid pursuant to an order of or allowance by a court under the applicable provisions of the laws of the State of Texas in effect at the time; and pursuant to a resolution of a majority of the Members of the Board of Directors other than those who have incurred expenses in connection with such litigation for which indemnification has been or is to be sought. In the event that all of the members of the Board of Directors are made parties to such litigation, then a majority of the effective membership of the Board of Directors is authorized to pass a resolution to provide for legal expenses for the entire Board of Directors and for any former members of the Board of Directors who are made parties to such litigation.

**Section 12.04.** The right of indemnification provided by in this Article XII of the Bylaws shall not be deemed exclusive of any right to which any director or officer may be entitled as a matter of law and shall extend and apply to the estates of deceased directors or officers.

**Section 12.05.** As used herein the term “officers” shall be determined by the Board of Directors from time to time.

### ARTICLE XIII: SIGNATURE OF CHECKS AND DRAFTS

**Section 13.01.** All checks, drafts, orders, or other instruments on any District operational accounts shall be signed according to the following policies:

- a. **Budgeted Expenditure of \$5,000.00 or less.** Each check in payment of an invoice or statement of no more than \$5,000.00 for which funds have been budgeted in the approved Annual Budget may be signed by the General Manager **or**, in his absence, the President **or**, in his absence, the Treasurer.
- b. **Budgeted Expenditures of \$5,000.01 or more.** Each check in payment of an invoice or statement of \$5,000.01 or more for which funds have been budgeted in the approved Annual Budget shall be countersigned by:
  - (1) **Either** the General Manager **or**, in his absence, the President; and
  - (2) **Either** the Treasurer **or**, in his absence the Vice President.
- c. **Nonbudgeted Expenditures of \$5,000.00 or less.** Each check in payment of an invoice or statement of not more than \$5,000.00 for which funds have not been budgeted in the approved Annual Budget may be signed by the General Manager **or**, in his absence, the President; provided that the General Manager shall report to the Board of Directors on a quarterly basis each nonbudgeted expenditure.
- d. **Nonbudgeted Expenditures of \$5,000.01 or more.** Only the Board of Directors is authorized to incur a monetary commitment in excess of \$5,000.00 for which funds have not been budgeted in the approved Annual Budget.
- e. **Payroll and Expense Reimbursement Checks.** The General Manager shall sign all payroll and expense reimbursement checks except his own. Payroll and expense reimbursement checks of the General Manager shall be signed **either** by the President **or**, in his absence, by the Vice President or by the Secretary-Treasurer.

### ARTICLE XIV: CONSTRUCTION CONTRACTS

**Section 14.01.** All contracts for the construction of the District’s projects shall be approved by the Board of Directors and, unless otherwise specified by the Board of Directors, shall be executed by the President.

**Section 14.02.** All changes in any contracts for the construction of projects must be approved by the Board of Directors; however, to facilitate the progress of construction, change orders to those contracts may be approved by the General Manager upon certification of the necessity of such change for engineering reasons by the applicable consulting engineer or architect. All change orders approved by the General Manager shall be reported to the Board of Directors at the regular meeting next following the change and shall be entered in the District's records.

**ARTICLE XV: (RESERVED)**

**ARTICLE XVI: (RESERVED)**

**ARTICLE XVII: (RESERVED)**

**ARTICLE XVIII: (RESERVED)**

**ARTICLE XIX: (RESERVED)**

**ARTICLE XX: AMENDMENT AND CONSTRUCTION**

**Section 20.01.** These Bylaws may be altered, amended, or repealed, or new Bylaws may be adopted by the Board of Directors at any regular or special meeting.

**Section 20.02.** If any portion of these Bylaws shall be invalid or inoperative, then, so far as is reasonable, the remainder of these Bylaws shall be considered valid and operative and effect shall be given to the intent manifested by the portion held invalid or inoperative.