

NUECES RIVER AUTHORITY BY-LAWS

**NUECES RIVER AUTHORITY
BY-LAWS**

Article I	Purpose, Office, Seal.....	Page 1
Article II	Board of Directors.....	Page 1
Article III	Officers.....	Page 1
Article IV	Committees.....	Page 2
Article V	Executive Director and Employees.....	Page 3
Article VI	Meetings.....	Page 4
Article VII	Funds of the Authority.....	Page 5
Article VIII	Rules.....	Page 6
Article IX	Indemnity.....	Page 6
Article X	Amendments.....	Page 6
Article XI	Disposition of Property.....	Page 6

BY-LAWS OF NUECES RIVER AUTHORITY

As adopted by the Board of Directors August 17, 1971, amended January 24, 1974, revised November 17, 1976 (to be effective January 1, 1976), and amended October 21, 1976, July 21, 1977, April 20, 1978, July 19, 1979, July 23, 1981, August 25, 1983, and March 21, 1996.

ARTICLE I PURPOSE, OFFICE, SEAL

Section 1. The PURPOSE of these By-Laws is to provide for the conduct of the affairs of the Nueces River Authority, in conformity with and pursuant to the act creating the conservation and reclamation district known as "Nueces River Authority", appearing as Chapter 427 of the General and Special Laws of the 44th Legislature of the State of Texas, at its first called session, as amended, as further amended by H.B. 1832, regular session, 62nd Legislature, and as revised by S.B. 437, regular session, 64th Legislature, and by S.B. 1245, regular session, 69th Legislature.

Section 2. The DOMICILE and principal office of the Authority shall be in Uvalde, Uvalde County, Texas.

Section 3. The Nueces River Authority shall have a SEAL to be used in attesting all the official acts of the Board of Directors, or otherwise as said Board may direct, such seal to be formed of two circles, one within the other, with the words, "NUECES RIVER AUTHORITY" between the two circles, with a five pointed star within the inner circle, and with the letters, "T-E-X-A-S", to be placed one letter between each point of said star, which seal shall be kept by the Executive Director of the Authority.

ARTICLE II BOARD OF DIRECTORS

Section 1. Except as where otherwise provided by law, or by these By-Laws, a quorum of the Board of Directors consists of a majority of the number of authorized positions on the Board of Directors. All actions of the Board of Directors shall be taken by the affirmative vote of a majority of the Directors present at any meeting, except as otherwise provided by law or by these By-Laws.

ARTICLE III OFFICERS

Section 1. The OFFICERS of the Nueces River Authority are a President; a Vice President from the Upper Basin; a Vice President from the Lower Basin; a Secretary-Treasurer, all of whom shall be members of the Board of Directors; an Executive Director, who need not be a member of the Board of Directors; and such other officers as the Board of Directors may, from time to time, so designate.

Section 2. The Vice President, Upper Basin, shall be selected from among those Directors from the following counties: Atascosa, Bandera, Bexar, Dimmit, Edwards, Frio, Kinney, La Salle, Maverick, Medina, Real, Uvalde, Wilson and Zavala. The Vice President, Lower Basin, shall be selected from among those Directors from the following counties: Bee, Duval, Jim Wells, Karnes, Live Oak, McMullen, Nueces and San Patricio.

Section 3. Seniority of the Vice Presidents shall be determined as follows: when the President is from the Upper Basin, the Vice President, Lower Basin, shall be senior to the Vice President, Upper Basin, and vice versa.

Section 4. The TERM of all officers shall be for the calendar year for which they are elected, except where controlled by contract. New officers shall be chosen for the ensuing year at the last meeting of the Board of Directors in each year. All officers shall continue in office until their successors are elected and qualified, except in the event of removal, as hereinafter provided. Election of officers to fill vacancies may be held at any meeting.

Section 4a. A NOMINATIONS COMMITTEE shall be appointed by the President, each year, to prepare and submit for the Board of Directors' consideration a slate of officers to serve for the ensuing year. The committee shall be composed of a member of the Executive Committee, a Director from the Upper Basin, and a Director from the Lower Basin.

Section 5. The PRESIDENT of the Board of Directors shall preside at all meetings of the Board. He/she shall sign contracts, obligations, undertakings, conveyances, and other instruments when so authorized and directed by the Board of Directors or the Executive Committee. Except as provided in Article IV of these By-Laws, the President may establish and appoint such committees as may be necessary or desirable to assist in conducting the business of the Board of Directors, or as may be directed by the Board.

Section 5a. In the case of the absence or inability of the President to act, the Vice President of the Board of Directors who is senior shall perform all of the duties of the President.

Section 5b. In the case of the absence or inability of both the President and the Vice President who is senior, the Vice President of the Board of Directors who is junior shall perform all the duties of the President.

Section 6. The SECRETARY-TREASURER of the Board of Directors shall exercise general supervision and direction over the Executive Director in the matter of financial records kept by the Executive Director. He/she shall attest such deeds, bonds, contracts, mortgages, and other documents upon which attestation is necessary or desirable, as the Board of Directors shall direct, and he/she shall in general perform all duties incident to the office of Secretary-Treasurer of entities similar to the Nueces River Authority.

Section 7. OFFICERS of the Authority and members of the Executive Committee may be removed from office by the Board of Directors at any meeting for any reason deemed sufficient by the Board of Directors. The removal of any officer or Executive Committee member shall be without prejudice to contract rights, if any, of the officer or Executive Committee member so removed. Any officer or Executive Committee member being considered for removal shall be given notice in writing of charges against him/her, and a reasonable time in which to answer such charges, and shall be given a hearing before the Board.

ARTICLE IV COMMITTEES

Section 1. Section 2.06, Article 8280-115 VTCS, governs the appointment of committees. The President of the Board of Directors may establish and appoint such committees as may be necessary or desirable to assist in conducting the business of the Authority, or as may be directed by the Board, except as provided in this Article for the Executive Committee and Finance Committee.

Section 2. The EXECUTIVE COMMITTEE is established by these By-Laws as a standing committee and shall consist of the President of the Board, the two Vice Presidents, the Secretary-Treasurer, and one Director elected annually by the Board at the same time as officers are elected as provided for in Section 4, Article III of these By-Laws. The Director so elected and the Secretary-Treasurer shall not be from the same grouping of counties as set forth in Section 2, Article III. Article III, Section 4, of these By-Laws applies to the Director Member (at large) of the Executive Committee the same as if he/she were an officer. Three (3) members of the Executive Committee shall constitute a quorum. All actions of the Executive Committee shall be taken by affirmative vote of a majority of the members present at any meeting except that when only three (3) members are present the vote must be unanimous. The Executive Director shall be a member of the Committee ex-officio without voting rights.

Section 2a. Meetings of the Executive Committee may be called by the President or one of the Vice Presidents.

Section 2b. The VICE PRESIDENTS of the Board of Directors shall be the Vice Presidents of the Executive Committee.

Section 2c. the SECRETARY-TREASURER of the Board of Directors shall be the Secretary-Treasurer of the Executive Committee.

Section 2d. Except as Authorized otherwise in Article IV, the powers of the Executive Committee are limited to those that may be delegated to it by the Board of Directors.

Section 2e. The Executive Committee may approve the execution of any contract or obligation involving the expenditure of an amount no greater than Five Thousand Dollars (\$5,000.00).

Section 2f. MINUTES of each meeting of the Executive Committee shall be kept by the Executive Director and shall be submitted to the Board of Directors for approval and ratification at its next regular meeting.

Section 3. The FINANCE COMMITTEE is established by these By-Laws as a standing committee and shall consist of the Secretary-Treasurer to serve as Chairperson and two other Directors appointed by the President.

Section 3a. Subject to the provisions of Section 4.09, Article 8280-115 VTCS, the Finance Committee will recommend to the Board the selection of a depository or depositories for Authority funds.

Section 3b. Subject to the provisions of Section 4.07, Article 8280-115 VTCS, the Finance Committee is authorized to determine the most advantageous investments of Authority funds in amounts of \$100,000 or more and direct such investments be made by the Executive Director.

Section 3c. The Finance Committee will review Authority budgets prepared by the Executive Director before submission to the Board for approval.

ARTICLE V EXECUTIVE DIRECTOR AND EMPLOYEES

Section 1. Section 2.07, Article 8280-115 VTCS as amended, governs the employment of the Executive Director. In addition to the responsibilities set forth in Section 2.07, the Executive Director is responsible to

the Board and the Executive Committee for:

Section 1a. Executing contracts, obligations, undertakings, conveyances, and other instruments when so authorized by the Board or the Executive Committee.

Section 1b. Preparation for review of the Finance Committee and approval by the Board of an annual budget for the Authority to cover the period of the Fiscal Year September 1 - August 31.

Section 1c. Serving as Assistant Secretary-Treasurer with authority to perform all duties of the Secretary-Treasurer in the absence of the Secretary-Treasurer but without authority to vote.

Section 1d. Following selection of a depository or depositories as provided in Section 4.09, Article 8280-115, VTCS, and Section 3a of these By-Laws and subject to the provisions of Section 4.07, Article 8280-114, VTCS, investing or reinvesting funds of the Authority in amounts less than \$100,000 in short term certificates of deposit of any bank or financial institution designated as a depository by the Board of Directors. The Executive Director is further authorized to make inter-account or inter-depository transfers of funds in amounts less than \$100,000.

Section 1e. As provided for in Section 2.07(b)5, Article 8280-115 VTCS, and upon establishment by the Board or the Executive Committee of appropriate positions and salaries as provided in Section 2, Article V of these By-Laws, hiring, supervising, training, and discharging employees of the Authority.

Section 2. The Board of Directors or the Executive Committee shall establish such positions and salaries for employees as it deems necessary for carrying on the affairs of the Authority.

Section 3. The Board of Directors or the Executive Committee may authorize the contracting for or retaining of engineering, technical, scientific, legal, fiscal, and other professional services.

ARTICLE VI MEETINGS

Section 1. All meetings of the Board of Directors and of all committees shall be open to the public, as set forth in Chapter 551 of the Texas Government Code as amended, and advance written notices of such meetings shall be posted as prescribed in said Article.

Section 2. The Board of Directors shall meet in regular session on the 3rd Thursday of the first month of each quarter provided the President determines there is sufficient business to justify the meeting. The Board shall meet in special session when called by the President or by a majority of its members.

Section 3. Committees shall meet when called by the chairpersons thereof.

Section 4. Agendas for meetings of the Board and for committee meetings shall be distributed to Directors not later than five days preceding the date of the meeting. However, failure to do so shall not invalidate any action taken at the meeting.

Section 5. No business of substance may be transacted at a meeting of the Board or of a committee unless such business was listed as an item on the agenda as distributed to Directors and contained in the written advance

notice of the meeting, except that informational items may be presented and discussed at meetings without having been placed on the agenda, providing no action is taken by the Board or the committee on such items that would be contrary to the provisions of Chapter 551 of the Texas Government Code.

Section 6. Meetings of the Board of Directors or of committees may be closed to the public only as provided for in Article 6252-17 VTCS.

Section 7. The Executive Director shall keep minutes of all meetings of the Board of Directors and the Executive Committee.

Section 8. Any Director may require that his/her own vote upon any action of the Board or the Executive Committee be specifically recorded in the minutes, and any Director may require that the vote of each Director upon any action of the Board or the Executive Committee be recorded in the minutes.

Section 9. Statements and discussions relating to matters before the Board of Directors or the Executive Committee need not be recorded in the minutes, but may be so recorded at the Board's or the Executive Committee's pleasure.

Section 10. In the absence of specific direction from the Board of Directors or the Executive Committee, the extent to which matters, other than official actions of the Board or the Executive Committee and recorded votes, shall be recorded in the minutes shall be discretionary with the Executive Director.

ARTICLE VII FUNDS OF THE AUTHORITY

Section 1. The Board of Directors, upon recommendation of the Finance Committee, shall designate a depository or depositories for the Authority in accordance with the procedure prescribed in Section 4.09 of Article 8280-115 VTCS.

Section 2. Checks, drafts, and other orders for the payment of money, except for investment of Authority funds as governed by Section 3a and 3b of Article IV, and Section 1d, Article V, of these By-Laws, shall be signed as set forth herein.

Section 2a. Payments for administrative expenses incurred in operating the office of the Authority, checks for purchase of certificates of deposit or other investments of Authority funds approved by the Finance Committee, and checks for payments of obligations within limits approved by the Board of Directors or the Executive Committee shall be signed by the Executive Director. All other checks shall be signed by the Executive Director and countersigned by an officer of the Authority.

ARTICLE VIII
RULES

Section 1. Provisions for adoption and enforcement of rules are contained in Sections 3.16 and 3.20 of Article 8280-115, VTCS, as amended.

ARTICLE IX
INDEMNITY

Section 1. The Board of Directors shall assume the legal defense of, compromise, settle and pay any claim or cause of action asserted against any director, officer, or employee, past or present by reason of his/her having been such director, officer, or employee, past or present, or arising out of the performance or failure to perform of his/her duties as such; and, also, shall pay or reimburse any such director, officer, or employee, past or present, for any judgement rendered against him/her by reason of his/her having been such director, officer or employee, or arising out of the performance or failure to perform of his/her duties as such, and including any legal fees, costs, or expenses incurred by him/her in the defense of any such claim or cause of action; unless the Board determines that such director, officer, or employee, past or present, shall have been guilty of willful misconduct in respect to the matter in which such claim is asserted or judgement recovered. If any action, payment or reimbursement herein provided is covered by insurance or bond protection then in force, then to the extent which such insurance or bond gives the protection above provided, the Board of Directors shall not be obligated under the above provisions; but this shall not relieve the Board of Directors from the performance of such matters which are not covered by such insurance or bond or which may be in excess of such insurance or bond protection.

ARTICLE X
AMENDMENTS

Section 1. These By-Laws may be amended or revised only at a regular meeting of the Board of Directors by affirmative vote of a majority of all the Directors, provided that the proposed amendment has been circulated among the Directors at least seven days prior to such meeting.

ARTICLE XI
DISPOSITION OF PROPERTY

Section 1. This Article sets forth the procedure to be used in disposing of personal or real surplus property as allowed by Section 3.11(b), Article 8280-115, VTCS, as amended, and Section 49.226, Texas Water Code.

Section 2. The Board of Directors shall first determine that a property owned by the Authority is no longer convenient to the Authority's business, shall declare that property to be surplus, and shall agree as to its appraised value.

Section 3. A formal appraisal performed by a qualified independent appraiser shall be required for any property intended to be declared surplus, and estimated by the Executive Director to have a value in excess of \$1,000, prior to submitting the item to the Board of Directors for consideration.

Section 4. Subject to Section 8, below, for any property having an appraised value of \$1,000 or less, the

Executive Director may proceed to sell or exchange the property upon the terms he/she deems appropriate, with or without advertising for or taking bids.

Section 5. For any property having an appraised value of \$1,000 but less than \$5,000, the Executive Director shall cause a notice of the proposed sale to be published once each week for at least two (2) consecutive weeks in a newspaper of general circulation in the Authority's boundary. Following the last publication, the Executive Director shall proceed to sell the property upon terms as approved by the Finance Committee.

Section 6. For any property having an appraised value of \$5,000 or more, the Executive Director shall cause a notice of the proposed sale to be published as in Section 5, above. Terms of the sale shall be subject to approval by the Board of Directors at its next meeting following the last day of publication.

Section 7. Subject to authorization to finalize a sale as provided above, the Executive Director shall execute on behalf of the Authority such instruments as are necessary to effectuate the sale.

Section 8. Regardless of value, before either a public or a private sale of any real property not required by the Authority, the Authority shall give notice of the intent to sell by publishing notice once a week for at least two consecutive weeks in one or more newspapers with general circulation in the Authority's boundary.

Section 9. If the Authority has outstanding bonds secured by a pledge of tax revenues, the proceeds of the sale of property not required by the Authority shall be applied to retire outstanding bonds of the Authority when required by the Authority's applicable bond resolutions. If the Authority does not have any outstanding bonds, the proceeds derived from the sale of the personal property or land not required by the Authority may be used for any lawful purpose.

Section 10. Except as provided below, when the Authority decides to exchange land, or personal property, that interest must be exchanged for like fair market value, which value may be determined by the Authority. Any property dedicated to or acquired by the Authority without expending Authority funds may be abandoned or released to the original grantor, the grantor's heirs, assigns, executors, or successors upon terms and conditions deemed necessary or advantageous to the Authority and without receiving compensation for such abandonment or release. Authority property may also be abandoned, released, exchanged, or transferred to a district, municipality, county, countywide agency, or other authority upon terms and conditions deemed necessary or advantageous to the Authority. Narrow strips of property resulting from boundary or surveying conflicts or similar causes, or from insubstantial encroachments by abutting property owners, may be abandoned, released, exchanged, or transferred to such abutting owners upon terms and conditions deemed necessary or advantageous to the Authority