

**Alliance Regional Water Authority
Executive Committee**

REGULAR MEETING



ALLIANCE WATER

COMMITTEE MEMBER PACKETS

Wednesday, February 14, 2018 at 2:00 P.M.

Kyle – Public Works Facility
520 E. RR 150, Kyle, TX 78640

REGULAR MEETING
Alliance Regional Water Authority Executive Committee

COMMITTEE MEMBER PACKETS
Wednesday, February 14, 2018 at 2:00 P.M.
520 E. RR 150, Kyle, Texas 78640

This Notice is posted pursuant to the Texas Open Meetings Act (Texas Government Code Chapter 551). The Executive Committee of the Board of Directors of the Alliance Regional Water Authority (the Authority) will hold a meeting at 2:00 PM, Wednesday, February 14th, 2018, at Kyle Public Works Building, 520 E. RR 150, Kyle, Texas. Additional information can be obtained by calling Graham Moore at (512) 294-3214.

Because this meeting is open to the public, members of the Authority Board of Directors who are not members of the Executive Committee may attend this meeting. If any such Board member attends this meeting such that a quorum of the Authority Board is present, this serves as notice of that potential quorum. The meeting will continue as a meeting of the Authority Executive Committee, and not a meeting of the Authority Board. A Board member who is not an Executive Committee member will have no right to vote on any matter before the Committee.

A. CALL TO ORDER

B. ROLL CALL

C. REGULAR AGENDA ITEMS

- C.1 Update regarding the Authority's Phase 1A Segment A pipeline project. ~ *Graham Moore, P.E., Executive Director*
- C.2 Update regarding the Authority's Phase 1B requests for qualifications. ~ *Graham Moore, P.E., Executive Director*
- C.3 Discussion and possible recommendation to the Board to approve a work order with BGE, Inc. for the Phase 1A Pump Station construction administration. ~ *Graham Moore, P.E., Executive Director*
- C.4 Discussion and possible approval of an agreement with Fugro, Inc. for materials testing for the Phase 1A Segment A Pipeline project. ~ *Graham Moore, P.E., Executive Director*
- C.5 Discussion and possible recommendation to the Board to approve new bylaws and rules for the Authority. ~ *Mark Taylor, Legal Counsel*

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- C.6 Update on status of groundwater management in project target area, and Gonzales County Underground Water Conservation District, Plum Creek Conservation District, Groundwater Management Area 13, Region L Planning Group, Guadalupe-Blanco River Authority, Hays County and CAPCOG activities. ~ *Graham Moore, P.E., Executive Director*

- D. EXECUTIVE DIRECTOR REPORT ~ *Graham Moore, P.E., Executive Director*

- E. COMMITTEE MEMBER ITEMS – no action to be taken.

- F. EXECUTIVE SESSION
 - F.1 *Executive Session pursuant to the Government Code, Section 551.071 (Consultation with Attorney) and/or Section 551.072 and 551.073 (Real Property Deliberations) regarding:*
 - A. *Water supply partnership options*
 - B. *Groundwater leases*
 - C. *Acquisition of real property for water supply project purposes*

 - F.2 Action from Executive Session on the following matters:
 - A. *Water supply partnership options*
 - B. *Groundwater leases*
 - C. *Acquisition of real property for water supply project purposes*

- G. ADJOURNMENT

NOTE: *The Executive Committee may meet in Executive Session to consider any item listed on this agenda if a matter is raised that is appropriate for Executive Session discussion. An announcement will be made of the basis for the Executive Session discussion. The Executive Committee may also publicly discuss any item listed on the agenda for Executive Session.*

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A. CALL TO ORDER

No Backup Information for this Item.

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B. ROLL CALL

NAME PRESENT

Kenneth Williams

James Earp

Tom Taggart

Humberto Ramos

Steve Parker

NON-VOTING MEMBERS PRESENT

Councilmember Lee Urbanovsky

REGULAR MEETING
Alliance Regional Water Authority Executive Committee

COMMITTEE MEMBER PACKETS
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C.1 Update regarding the Authority's Phase 1A projects. ~ *Graham Moore, P.E., Executive Director*

Background/Information

Below are brief updates on the Phase 1A projects.

Segment A Pipeline:

- The pre-construction conference was held on February 8th. The Notice-to-Proceed for the project was issued to Central, Road & Utility (CRU) with an official start date of February 13th. Below are the critical schedule dates:
 - 2/13/18 – NTP
 - 7/13/18 – Substantial Completion (150 Calendar Days)
 - 8/12/18 – Final Completion (180 Calendar Days)
- CRU is anticipated to beginning 2/13 and commence with placing erosion controls.
- Based on the initial schedule, below are additional key dates:
 - Start bore under Kohler's Crossing: 2/27/18
 - Start bore under Gas Pipeline: 3/2/18
 - Start 24-inch pipeline open cut: 3/28/18

Pump Station:

- The bid set was submitted to the TWDB for review and approval on January 26th. Once approval is received the project will be set for bidding.

Executive Committee Decisions Needed:

- None.

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C.2 Update regarding the Authority's Phase 1B requests for qualifications. ~ *Graham Moore, P.E. Executive Director*

Background/Information

The RFQ selection committee selected Kimley-Horn for the Phase 1B Program Management / Owner's Representative role. Staff is working with K-H to develop the scope and fee for this effort with the intent of bringing this to the Board for consideration in February. Ordinarily this would be brought to the Executive Committee for consideration, but due to the compressed timeframe it will be brought directly to the Board.

The RFQ selection committee is currently reviewing the submissions in response to the Environmental Services RFQ and Treated Pipeline Design RFQ.

Staff issued the RFQ for Land Acquisition Services on February 2nd, with submission due on March 1st. Appraisal services were separated from the Land Acquisition Services as procurement laws require the two-step process for appraisal services whereas price can be considered along with qualifications for land acquisition services.

Executive Committee Decisions Needed:

- None.

REGULAR MEETING
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- C.3** Discussion and possible recommendation to the Board to approve a work order with BGE, Inc. for the Phase 1A Pump Station construction administration. ~
Graham Moore, P.E., Executive Director
-

Background/Information

Brown & Gay Engineers (BGE) was hired in August 2015 to provide the preliminary, final and bid phase services for Alliance Water's Phase 1A Pump Station project. Construction phase services are needed by the engineer to review the proposed products to be utilized, to review and/or prepare change orders, to review pay orders and to close out the project. Staff requested a work authorization from BGE for these services. LNV will continue to be utilized for construction observation of the project under their previously approved work authorization.

Scope of Work

The detailed scope of work is attached and includes the following:

- Project Management
- Site Visits and Progress Meetings
- Review Product Submittals
- Review O&M Manuals
- Clarifications and Interpretations
- Change Orders & Work Directives
- Review Pay Applications
- Field Support during Start-Up, including PLC Factory Testing
- Prepare Record Drawings
- Provide Environmental Surveys for Compliance with TWDB Funding
- Project Close-Out

Fee Schedule

The work authorization is proposed on a time and material basis not-to-exceed \$181,136 as it is difficult to determine the exact effort that will be required. The proposal is within the budget allocated for this effort.

Contract

The work authorization would be issued in accordance with the approved Master Agreement between BGE and the Agency.

Executive Director Recommendation

The Executive Director recommends the approval of the Work Authorization with BGE.

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Attachment(s)

- BGE Scope of Services Letter for Construction Phase Services for Phase 1A Pump Station, dated November 21, 2017.

Executive Committee Decisions Needed:

- Recommendation to the Board to approve a work authorization with BGE for construction phase administration of the Phase 1A Pump Station.



November 21, 2017

Mr. Graham Moore, P.E.
Executive Director
Alliance Regional Water Authority
1040 Highway 123
San Marcos, Texas 78666

Re: Scope of Work
HCPUA Phase 1A Booster Pump Station
Construction Phase Services Proposal

Brown & Gay Engineers, Inc. (BGE) is pleased to present this proposal. For engineering services related to the Hays Caldwell Public Utility Agency Booster Pumps Station 1A. Services provided are construction.

Attached herein, please find:

- A. Scope of Services
- B. Fee Budget Estimate
- C. Subconsultant Proposals

We appreciate the opportunity to provide our services to the authority. We look forward to discussing this proposal with you at your convenience.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ron Mick", is written over a light blue horizontal line.

Ron Mick, P.E.
Senior Project Manager
BGE, Inc.

ATTACHMENT A

Scope for Engineering Services Agreement for the Alliance Regional Water Authority (ARWA)

ARWA PHASE 1A Booster Pump Station Construction Phase Services

The scope set forth herein defines the work to be performed by Brown & Gay Engineers, Inc. (ENGINEER or BGE) in completing the Alliance Regional Water Authority (ARWA) Phase 1A Booster Pump Station (PROJECT). Both the ARWA and ENGINEER have attempted to clearly define the work to be performed and address the needs of the Construction Phases of the PROJECT. The PROJECT includes a new booster pump station associated with a new pipeline (designed by others) that will interconnect the Cities of Kyle and Buda water systems for the ARWA.

Overview and Understanding

The Phase 1A Booster Pump Station is located on a 5.1 acre site adjacent to FM 2770 in Buda, Texas. The project includes site civil, mechanical, disinfection, electrical, and instrumentation to provide an average daily flow of 1 MGD of pumping capacity to be expanded to 5.2 MGD (average daily flow) in the future. The project includes a 0.75 MG ground storage tank, an electrical controls building, a chemical dosing building, pavement, security fencing, yard piping, metering and pumping controls.

Pump station construction includes a storm water quality pond, detention pond, and a drainage conveyance channel to tie-in to off-site storm drainage facilities.

Construction will include the tie-in connections to the Phase 1A pipeline designed by others.

Project Team

The project team includes the following firms:

- Brown & Gay Engineers, Inc. – Project Management, Engineering (Mechanical, Civil, Structural).
- Baer Engineering and Environmental Consulting, Inc. – Migratory Bird Treaty Act Compliance.
- Gupta & Associates, Inc. – Electrical, Instrumentation, and SCADA.

TASK 1. Project Management

BGE will perform the functions to manage the project in a manner to fulfil the contractual requirements. Specific management tasks include:

1. Team coordination: Provide ongoing communications and coordination with the sub-consultants and ARWA.

2. Schedule maintenance: BGE will follow the approved construction schedule and provide project staff to complete reviews and evaluations in a timely manner.

TASK 2. Construction Services

BGE will provide construction services to assist ARWA in the completion of the construction of the Project. Specific tasks are:

1. Attend Pre-construction Conference. Assume 1 meeting.
2. Prepare meeting agendas, attend and/or preside and provide meeting summaries for construction meetings. Assume 2 meetings per month for 12 months.
3. Review submittals for compliance with the design concepts as necessary to provide recommendations and approvals.
4. Review laboratory, shop, and mill test reports on materials and equipment.
5. Review Operation and Maintenance manuals to ensure conformance with contract specifications.
6. Respond to Contractor's requests for information (RFIs) as necessary. Assume 12 RFIs.
7. Review all field alterations, prepare and/or review change proposal requests and make recommendations for change orders (COs).
8. Periodic visits to the job site to observe the progress and quality of the work being accomplished. Two total visits per month during an estimated 12 month construction schedule. It is assumed that site visits will coincide with construction meetings.
9. Review Contractor's monthly pay estimates and make recommendations for payment. Review and comment on Contractor's schedule updates. Assume 12 monthly pay estimates.
10. Review of testing procedures and provide field observation during testing/start-up/commissioning.
11. Conduct a substantial completion inspection, and prepare a "punch-list" of items needed for final completion.
12. Conduct a final completion inspection and report on the completion of the project.
13. Prepare draft and final record drawings, including electronic drawing files in appropriate electronic format from information submitted by Contractor and provide hardcopies and electronic files to ARWA.
14. Provide compliance with Migratory Bird Treaty Act by performing if needed by conducting nesting bird surveys more fully detailed in the attached proposal from Baer Engineering.

Assumptions

1. No additional survey is required for construction.
2. All meetings will be held at the project site or a location near the project site.
3. BGE will not provide full time observation of construction or inspection services. Observations by BGE are limited to what is readily observable on the days of site visits.
4. Field Investigations are not included in this scope and fee proposal.
5. No Design Phase Engineering, Environmental, Archeological, or SWPPP preparation is included in this proposal.
6. A Project specific traffic control plan will be developed by ARWA's contractor and submitted to BGE for review and concurrence.

Compensation

BGE will be paid on a time and materials basis for actual work performed based on individuals and rates provided on the attached estimate. BGE and its subconsultants estimated fees are included to provide a budget for construction phase services. Additional construction phase services will be negotiated prior to exceeding the overall budget or any individual team member budget.

Schedule

BGE will follow the approved construction schedule which is expected to include 365 calendar days through substantial completion and 410 calendar days through final completion.

Alliance Regional Water Authority - Phase 1A Booster Pump Station
BGE Project No.: 3611-02
ARWA Project No.: 2017-002
Fee Budget Estimate - Construction Phase Services

		Project Director	Project Manager	Structural Engineer	Project / Const. Engineer	CAD Designer/Contr. Tech.	Total Man-hours per Task	Subtask Totals	GAI* (Electrical / I&C / SCADA)	Baer (MBTA)	10% * multiplier to subs	Total per Task
		(hrs)	(hrs)	(hrs)	(hrs)	(hrs)						
CONSTRUCTION PHASE SERVICES		\$275.00	\$225.00	\$195.00	\$150.00	\$110.00						
	STAFF	Roman Grijalva	Ron Mick	Will Bohien	Steven Thai	Gus Sanchez						
	STAFF				Adam Willard	Freddie Alonzo						
	STAFF				Colby Harris							
Task 1.	PROJECT MANAGEMENT											
1	Team coordination	1	12				13	\$ 2,975				\$ 2,975
2	Schedule maintenance		6				6	\$ 1,350				\$ 1,350
SUBTOTAL		1	18	0	0	0	19	\$ 4,325	\$ -		\$ -	\$ 4,325
Task 2.	CONSTRUCTION SERVICES											
1	Pre-Construction Conference		2		2		4	\$ 750	\$ 2,948		\$ 295	\$ 3,993
2	Construction Meetings		12		12	24	48	\$ 7,140	\$ 10,335		\$ 1,034	\$ 18,509
3	Submittal Review		8	4	8	40	60	\$ 8,180	\$ 18,182		\$ 1,818	\$ 28,180
4	Test Report Submittal Reviews	1	16	4	8	20	49	\$ 8,055			\$ -	\$ 8,055
5	O&M Manual Reviews		8		8	12	28	\$ 4,320	\$ 9,454		\$ 945	\$ 14,719
6	Construction RFIs		2		24	24	50	\$ 6,690	\$ 3,636		\$ 364	\$ 10,690
7	Field Alts and Change Orders		2		12	12	26	\$ 3,570	\$ 1,010		\$ 101	\$ 4,681
8	Construction Site Visits		12		12	36	60	\$ 8,460	\$ 8,519		\$ 852	\$ 17,831
9	Monthly Pay Application and Schedule Review		2		6	12	20	\$ 2,670	\$ 1,092		\$ 109	\$ 3,871
10	Startup/Testing/Commissioning	1	24		24	40	89	\$ 13,675	\$ 17,163		\$ 1,716	\$ 32,554
11	Substantial Completion WT		3		3	3	9	\$ 1,455	\$ 1,420		\$ 142	\$ 3,017
12	Final Completion WT	3	3		3	3	12	\$ 2,280	\$ 1,420		\$ 142	\$ 3,842
13	Record Drawings		4		12	24	40	\$ 5,340	\$ 4,572		\$ 457	\$ 10,369
14	MBTA Compliance									\$ 15,000	\$ 1,500	\$ 16,500
SUBTOTAL		5	98	8	134	250	495	\$ 72,585	\$ 79,751	\$ 15,000	\$ 9,475	\$ 176,811
TOTAL LABOR												
	Total Labor Hours	6	116	8	134	250	514					
	Labor Category Percent of Total Labor	1.2%	22.6%	1.6%	26.1%	48.6%	100.0%					
	Total Labor Amount	\$1,650	\$26,100	\$1,560	\$20,100	\$27,500		\$76,910	\$79,751	\$15,000	\$9,475	\$181,136

TOTAL CONSTRUCTION SERVICES FEE **\$181,136**

*The total cost per task has 10% added to the Subconsultant fees

Alliance Regional Water Authority
Pump Station Project
Electrical Engineering Construction Phase Services

1. Overview and Understanding:

This project will construct a new pump station and associated pipeline delivery site that will receive water from the City of Kyle and deliver it to the City of Buda (Project) for the Alliance Regional Water Authority (ARWA). Gupta and Associates, Inc. (GAI) will provide the construction phase services for the electrical distribution and controls (ED&C), the instrumentation and controls (I&C), as well as the HVAC/Mechanical design as a sub-consultant to BGE, Inc. (BGE).

1.1. Work Definition

1.1.1. Administrative

This work will include the following administrative services:

1. GAI will provide monthly invoicing for this work to GBE.
2. GAI will participate in a Pre-Construction Kickoff meeting.

1.1.2. Construction Phase Services

GAI will provide the following:

1. Provide conformed documents:
2. Participate in monthly construction progress meetings
3. Respond to Contractor’s RFIs
4. Review and respond to Contractor’s shop drawing and O&M submittals
5. Provide record documents based upon Construction Contractor’s redline markups:

The assumed quantities for the various reviews are summarized as:

Submittal	Electrical	I&C	HVAC	Other	Total
Initial Shop Drawings	17	12	2	6	37
Resubmitted Shop Drawings	6	4	1	2	13
Initial O&Ms	5	6	2		13
Resubmitted O&Ms	5	6	2		13
RFIs	6	4			10
Contract Changes	2	1			3

1.1.3. On Site Inspections

GAI will provide the following:

1. Participate in eight construction progress meetings and associated site visits.
2. Participate in six other site visits to inspect construction progress.
3. Participate in a substantial completion walk-through/punchlist site visit and one additional follow-up inspection.

1.2. Special Services

GAI will participate in factory acceptance testing of the PLC hardware as well as field startup and commissioning. This work includes:

1. Participation in the PLC Factory Acceptance Test (FAT) for two man-days at the panel shop.
2. Participate in startup and commissioning, up to two man-weeks of time on site.

2. Fee:

GAI will perform these services on a T&M basis based upon the following:

Description	Fee
Pre-Construction Conference	\$ 2,948
Construction Meetings	\$ 10,335
Submittal Review	\$ 18,182
Test Report Submittal Reviews	
O&M Manual Reviews	\$ 9,454
Construction RFIs	\$ 3,636
Field Alts and Change Orders	\$ 1,010
Construction Site Visits	\$ 8,519

Alliance Regional Water Authority
Pump Station Project
Electrical Engineering Construction Phase Services

Description	Fee
Monthly Pay Application and Schedule Review	\$ 1,092
Startup/Testing/Commissioning (T&M Basis)	\$ 17,163
Substantial Completion WT	\$ 1,420
Final Completion WT	\$ 1,420
Record Drawings	\$ 4,572
Total	\$ 79,750

3. Clarifications:

The following items apply to this proposal:

- GAI has not included any software licenses, programming, or hardware in this proposal.

**Aliance Regional Water Authority
Construction Phase Services**

Gupta & Associates, Inc.	Principal		Project Manager		Engineer - Senior		Engineer		Project Engineer		Designer - Senior		Designer		CAD Tech - Senior	
	Rate:	\$ 216	Rate:	\$ 192	Rate:	\$ 174	Rate:	\$ 127	Rate:	\$ 97	Rate:	\$ 136	Rate:	\$ 89	Rate:	\$ 83
	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost	Hours	Cost
TASK SUMMARY - BASIC SERVICES																
Project Management/Administration/Invoicing	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	3	\$ 408	0	\$ -	0	\$ -
Pre-Construction Meeting	0	\$ -	8	\$ 1,536	0	\$ -	8	\$ 1,016	0	\$ -	0	\$ -	0	\$ -	0	\$ -
Construction Meetings	0	\$ -	0	\$ -	32	\$ 5,568	0	\$ -	0	\$ -	32	\$ 4,352	0	\$ -	0	\$ -
Submittal Review	0	\$ -	0	\$ -	0	\$ -	0	\$ -	100	\$ 9,700	50	\$ 6,800	0	\$ -	0	\$ -
Test Report Submittal Reviews	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -
O&M Manual Reviews	0	\$ -	0	\$ -	0	\$ -	0	\$ -	52	\$ 5,044	26	\$ 3,536	0	\$ -	0	\$ -
Construction RFIs	0	\$ -	0	\$ -	0	\$ -	0	\$ -	20	\$ 1,940	10	\$ 1,360	0	\$ -	0	\$ -
Field Alts and Change Orders	0	\$ -	0	\$ -	0	\$ -	0	\$ -	6	\$ 582	3	\$ 408	0	\$ -	0	\$ -
Construction Site Visits	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	48	\$ 6,528	0	\$ -	0	\$ -
Startup/Testing/Commissioning	0	\$ -	0	\$ -	0	\$ -	32	\$ 4,064	0	\$ -	64	\$ 8,704	0	\$ -	0	\$ -
Substantial Completion WT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	8	\$ 1,088	0	\$ -	0	\$ -
Final Completion WT	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	8	\$ 1,088	0	\$ -	0	\$ -
Record Drawings	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	54	\$ 4,482
	0	\$0	8	\$1,536	32	\$5,568	40	\$5,080	178	\$17,266	252	\$34,272	0	\$0	54	\$4,482

Aliance Regional Water Authority Construction Phase Services									
Gupta & Associates, Inc.									
		CAD Tech		Admin		Subtotal		ODCs	TOTAL
		Rate: \$	68	Rate: \$	53				
		Hours	Cost	Hours	Cost	Hours	Cost		Cost
TASK SUMMARY - BASIC SERVICES									
	Project Management/Administration/Invoicing	0	\$ -	12.5	\$ 663	15.5	\$ 1,071	\$21	\$ 1,092
	Pre-Construction Meeting	0	\$ -	0	\$ -	16	\$ 2,552	\$396	\$ 2,948
	Construction Meetings	0	\$ -	4	\$ 212	68	\$ 10,132	\$203	\$ 10,335
	Submittal Review	0	\$ -	25	\$ 1,325	175	\$ 17,825	\$357	\$ 18,182
	Test Report Submittal Reviews	0	\$ -	0	\$ -	0	\$ -	\$0	\$ -
	O&M Manual Reviews	0	\$ -	13	\$ 689	91	\$ 9,269	\$185	\$ 9,454
	Construction RFIs	0	\$ -	5	\$ 265	35	\$ 3,565	\$71	\$ 3,636
	Field Alts and Change Orders	0	\$ -	0	\$ -	9	\$ 990	\$20	\$ 1,010
	Construction Site Visits	0	\$ -	0	\$ -	48	\$ 6,528	\$1,991	\$ 8,519
	Startup/Testing/Commissioning	0	\$ -	0	\$ -	96	\$ 12,768	\$4,395	\$ 17,163
	Substantial Completion WT	0	\$ -	0	\$ -	8	\$ 1,088	\$332	\$ 1,420
	Final Completion WT	0	\$ -	0	\$ -	8	\$ 1,088	\$332	\$ 1,420
	Record Drawings	0	\$ -	0	\$ -	54	\$ 4,482	\$90	\$ 4,572
		0	\$0	59.5	\$3,154	623.5	\$71,358	\$8,392	\$79,750



November 13, 2017

Brown & Gay Engineers, Inc.
7000 N. MoPac Expressway, Suite 330
Austin, Texas 78731

Delivered via e-mail to RMick@browngay.com.

Attention: Mr. Ron Mick, P.E.

Reference: Migratory Bird Treaty Act (MBTA) Compliance
Hays Caldwell Public Utility Agency – Phase 1A Booster Pump Station
3270 Jack C Hays Trail, Buda, Texas 78610
Baer Engineering Document No. 162035-5.020, Exhibit A

Dear Mr. Mick:

Baer Engineering and Environmental Consulting, Inc. (Baer Engineering) is pleased to submit this proposal to Brown & Gay Engineers, Inc. (BGE) to provide biological consulting services for the above-referenced project. We understand the project involves construction of a pump station on 5.3 acres located at 3270 Jack C. Hays Trail in Buda, Texas. Specifically, Baer Engineering will assist BGE with protection of nesting birds listed under the Migratory Bird Treaty Act (MBTA). To the maximum extent practicable, vegetation clearing, grading, and construction activities should occur outside of the bird breeding season, between March 15 and September 15. If it is necessary to conduct these activities during the breeding season, then Baer Engineering will conduct a survey for nesting and breeding birds at weekly intervals during the two-week period before these activities begin during the breeding season.

If nest(s) or breeding behavior (e.g. courtship, nest building, territorial defense) are detected during these surveys, no vegetation clearing, grading, or construction activities will be allowed within 300 feet of the nest(s). The location of active nests will be recorded by a hand-held GPS unit and marked on aerial photograph. The designated construction supervisor will be notified immediately following the identification of active nest(s). The construction buffer will be marked in the field using colored flagging surrounding the active nest. If no nests are identified or believed to be present, but breeding behavior is observed in or near the project area, surveys will occur every other day until either nesting activities are observed or breeding behavior is no longer present and the individual or pair has left the project area. Vegetation clearing, grading, and construction activities may resume when nesting activity and fledglings are no longer in the area.

PROJECT SCHEDULE

We will begin our surveys two weeks prior to vegetation clearing, grading, or construction activities. Baer Engineering will continue to conduct breeding bird surveys on a weekly basis until the project has completed construction, the breeding season is over, or if available habitat is greater than 300 feet from active construction.

FEE PROPOSAL

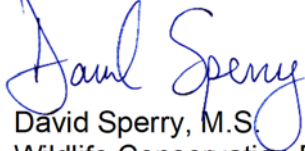
Baer Engineering will invoice BGE monthly, based on time and material required to complete the surveys. Baer Engineering recommends establishing a budget of \$15,000 to complete these surveys over one entire breeding season (March 15 to September 15). If the proposed scope of

services, project schedule, and cost proposal are met with your approval, please provide us with a contract and notice to proceed.

Baer Engineering appreciates the opportunity to participate in this project. Please feel free to call me in regards to this proposal at (512) 453-3733.

Respectfully submitted,

BAER ENGINEERING AND ENVIRONMENTAL CONSULTING, INC.



David Sperry, M.S.
Wildlife Conservation Biologist

Attachments: Schedule of Fees



Baer Engineering and Environmental Consulting, Inc.
2014 Rate Sheet - COA

Personnel	Rate
Senior Engineer, Geologist, Hydrogeologist, Scientist, Project Manager	\$159.68
Project Engineer, Geologist, Hydrogeologist, Scientist, Project Manager	\$105.84
Staff Engineer, Geologist, Hydrogeologist, Scientist, Project Manager	\$ 95.22
Field Engineer, Geologist, Hydrogeologist, Scientist, Project Manager	\$100.86
Project Administrator	\$ 70.74
Certified Industrial Hygienist	\$150.40
CAD Operator, GIS, Information Technology	\$ 87.97

Charges will be made at the rates listed above for time spent in project management, consultation or meetings related to the project, conducting field surveys, sampling, evaluations, review and analysis of field and laboratory data, report preparation and review, design, travel time, etc.

Time spent on projects in litigations, in depositions, and providing expert testimony will be charged at the standard rate times: 1.5

Technician and Support Personnel time for work over 8 hours per day and on holidays, Saturday and Sunday will be charged at the standard rate times: 1.5

EXPENSES

Per Diem expenses when required to remain overnight outside Austin metropolitan area, and common carrier or car rental costs will be charged at cost multiplied by: 1.25 but not to exceed State of Texas reimbursement rules.

Special equipment or supplies, laboratory charges, permits, shipping charges, special printing or other items not customarily provided by Baer Engineering will be charged at cost multiplied by: 1.25

Subcontract services (if required) will be invoiced at our cost multiplied by: 1.15



EQUIPMENT RATES

Ford E150	\$150/day
Mercury Mariner	\$100/day
Garmin GPS	\$ 50/day
Niton Lead Surveyor	\$325/day
Fluke Thermal Imager	\$350/day
MultiRAE-Plus Meter (LEL, O2, PID)	\$100/day
Borescope	\$ 50/day
Delmhorst Moisture Meter	\$ 50/day
TSI Q-Trak IAQ Meter	\$ 50/day
Infocus Projector	\$ 50/day
Camera	\$ 25/day
iPad	\$ 40/day
Laptop Computer	\$ 25/day
Microscope	\$ 25/day
Smoke Generator	\$ 25/day
Low Volume Pump	\$ 10/day
Personal Sampling Pump	\$ 10/day
IR Thermometer	\$ 10/day
Range Finder	\$ 10/day
Measuring Wheel	\$ 10/day
Soil Auger	\$ 10/day
Interface Probe	\$ 10/day
Ladder	\$ 10/day

Minimum charge: ½ of full day rate

REGULAR MEETING
Alliance Regional Water Authority Executive Committee

COMMITTEE MEMBER PACKETS
Wednesday, February 14, 2018 at 2:00 P.M.
520 E. RR 150, Kyle, Texas 78640

- C.4** Discussion and possible approval of an agreement with Fugro, Inc. for materials testing for the Phase 1A Segment A Pipeline project. ~ *Graham Moore, P.E., Executive Director*
-

Background/Information

The Authority needs the services of a materials testing firm to ensure that the pipeline trench for the Segment A project is properly backfilled. Staff requested a proposal from Fugro, Inc. for this work since they provided the initial geotechnical report during the design phase of the project.

Attached is the proposal. Jim Tolles, the construction observer, will coordinate all of Fugro's activities.

In accordance with the Authority's Purchasing Policy adopted in November 2017, the Executive Committee is empowered to approve the agreement as it was purchased via the "Informal Bid/RFP Process" and is between \$3,000 and \$50,000.

Fee Schedule

The work authorization is proposed on a time and material basis not-to-exceed \$13,880. The proposal is within the budget allocated for this effort.

Executive Director Recommendation

The Executive Director recommends the approval of the agreement with Fugro, Inc.

Attachment(s)

- Fugro Proposal Letter dated February 7, 2018.

Executive Committee Decisions Needed:

- Approval of the agreement with Fugro, Inc. for material testing associated with the Authority's Phase 1A Segment A Pipeline project.



8613 Cross Park Drive
Austin, Texas 78754
Phone: 512-977-1800
Fax: 512-973-9966

Alliance Regional Water Authority
630 E. Hopkins
San Marcos, Texas 78666

Proposal No. 04.30182043
February 7, 2018

Attention: Mr. Graham Moore, P.E.

**Proposal for Construction Materials Testing
Alliance Regional Water Authority
Phase 1A Pipeline Segment A
Cities of Buda and Kyle, Texas**

Introduction

We are pleased to submit our proposal for providing on-site construction materials testing services for the above-referenced project. Project plans and specifications were available for our review.

In general, the project includes the installation of approximately 11,000 l.f. of 24-inch waterline with appurtenances. The project is located approximately at 30°01'42"N - 97°52'02"W on FM 2270 bound by Kohler's Crossing on the south and Flint Hills property on the north. We understand that the project is scheduled to begin near the end of February, 2018. In our proposal, we present a scope of services, a fee estimate and unit fee schedule.

Scope of Services

Based upon our knowledge of the project we present our proposed scope of services in the following paragraphs. We anticipate that our services will primarily include earthwork testing with pipe bedding and backfill.

For placement and compaction of fill, backfill, natural subgrade, and base material, we will provide a soil technician (when requested) to perform required field density tests to monitor the contractor's compliance with project specifications. Laboratory tests will generally consist of moisture content, Atterberg limits, gradation analyses, and moisture-density relationships.



Alliance Regional Water Authority
Mr. Graham Moore, P.E.

February 7, 2018
Page 2 of 5

Our Project Manager will review provided construction materials submittals, provide consultation regarding observed non-conformances, and provide technical oversight of our services.

Our field technician(s) will immediately report results of field observations to the on-site superintendent and owner's representative. We will assist with identification and correction of any observed non-compliances with project specifications. Our technician shall not direct the contractor's operations, waive specifications, or determine final acceptance of the contractor's work. Written reports will be transmitted electronically.

Our scope of services and estimated fee proposed herein does not include:

- Environmental or geologic oversight, including mitigation of any exposed voids, caves, karst features, groundwater, or cave invertebrate habitat (by others);
- Inspection of any items at off-site suppliers or fabrication plants. It is assumed that suppliers and fabrication plants employed by the contractor have their own QA/QC program to satisfy the project requirements; and
- Standby time, trips to site for cancellations without notice, retesting, reinspection, or testing services for the contractor's convenience or internal Quality Control.
- Any necessary safety training, that may be required for entering railroad right of way.

Proposed Fees

For budgeting purposes, our estimated fees are detailed on the Cost Estimate, Attachment 1. Our general conditions for materials engineering and technical services are presented on Schedule 40.01, Attachment 2. Construction materials testing fees are shown on Fee Schedule CMT-082043, Attachment 3.

Testing costs will vary depending on the construction schedule, project sequencing, overlapping of work, weather, and other factors. Our services will be provided on a call-out basis, and will be invoiced based on the unit rates provided in the attached Fee Schedule. This estimated fee will not be exceeded without the client's prior authorization. Required additions to the above scope of services would be invoiced in accordance with the attached fee schedule.



Alliance Regional Water Authority
Mr. Graham Moore, P.E.

February 7, 2018
Page 3 of 5

Materials testing services are for quality control purposes only. In no way are our personnel responsible for the job site safety of others, nor do they have stop-work authority. However, our personnel will conduct their work in a safe, workman-like manner, and will observe work-site safety requirements.

* * *



Alliance Regional Water Authority
Mr. Graham Moore, P.E.

February 7, 2018
Page 4 of 5

To indicate acceptance of our proposal, please have the signature block below signed by a duly authorized person in the spaces provided and e-mail a copy to us for our files.

We appreciate the opportunity to submit this proposal and look forward to working with you on this project. If you have any questions, please let us know.

Sincerely,

FUGRO USA LAND, INC.
TBPE FIRM REGISTRATION NO. F-299

Rezwan Jahangir, Ph.D., E.I.T.
Graduate Engineer

Bryan E. Rose, P.E.
Senior Project Manager

BER/RJ/lt(w/cmt/P04.30182043)

Attachments:

- Attachment 1 – Cost Estimate
- Attachment 2 – Schedule 40.01
- Attachment 3 - Fee Schedule CMT-182043

CLIENT:

Authorizing Signature

Name & Title

Company

Date



Alliance Regional Water Authority
Mr. Graham Moore, P.E.

February 7, 2018
Page 5 of 5

Document Distribution

Please indicate the addresses that you wish to have test reports distributed to.

Owner: _____

Tele: _____

Attn: _____

E-Mail: _____

Attn: _____

E-Mail: _____

Contractor: _____

Tele: _____

Attn: _____

E-Mail: _____

Attn: _____

E-Mail: _____

Architect: _____

Tele: _____

Attn: _____

E-Mail: _____

Attn: _____

E-Mail: _____

Engineer: _____

Tele: _____

Attn: _____

E-Mail: _____

Attn: _____

E-Mail: _____

Other: _____

Tele: _____

Attn: _____

E-Mail: _____

Attn: _____

E-Mail: _____

Other: _____

Tele: _____

Attn: _____

E-Mail: _____

Attn: _____

E-Mail: _____



ATTACHMENT 1
Cost Estimate
Construction Materials Testing Services
ARWA Phase 1A Pipeline Segment A
Kyle, Texas

Testing of Soil and Base Materials		Quantity	Unit	Rate	Subtotal
2.1	Field Soil Density Trip Charge	22	each	\$65.00	\$1,430.00
1.1	Field Tech Time for Densities	95	hour	\$46.00	\$4,370.00
2.2	Nuclear Density Tests	100	each	\$15.00	\$1,500.00
2.1	Field Soil Sample Pickup Trip Charge	5	each	\$65.00	\$325.00
1.1	Field Tech Time for Sample Pick-Up	15	hour	\$46.00	\$690.00
Subtotal Soil and Base Materials					\$8,315.00

Laboratory Investigation		Quantity	Unit	Rate	Subtotal
3.3	Sieve Analysis	5	each	\$65.00	\$325.00
3.2	Atterberg Limits	5	each	\$65.00	\$325.00
3.6	Moisture Density Relationship (TEX-113-E, TEX-114-E)	5	each	\$235.00	\$1,175.00
Subtotal Laboratory Investigation					\$1,825.00

Project Management		Quantity	Unit	Rate	Subtotal
7.1	Word Processing	20	hour	\$58.00	\$1,160.00
8.2	Project Manager, P.E.	4	hour	\$165.00	\$660.00
8.3	Project Engineer	6	hour	\$140.00	\$840.00
8.6	Senior Supervising Technician	12	hour	\$90.00	\$1,080.00
Subtotal Project Management					\$3,740.00
Total Estimated Cost					\$13,880.00



GENERAL CONDITIONS FOR TECHNICAL SERVICES

1. Parties to This Agreement
CLIENT as used herein is the entity who authorizes performance of services by Fugro USA Land, Inc. (FUGRO) under the conditions stated herein. FUGRO as used herein includes, Fugro USA Land, Inc., its employees and officers, and its subcontractors and sub-consultants (including affiliated corporations).
2. On-site Responsibilities and Risks
 - 2.1 Right-of-Entry. Unless otherwise agreed, CLIENT will furnish unfettered rights-of-entry and obtain permits as required for FUGRO to perform the fieldwork.
 - 2.2 Damage to Property. FUGRO will take reasonable precautions to reduce damage to land and other property caused by FUGRO's operations. However, CLIENT understands that damage may occur and FUGRO's fee does not include the cost of repairing such damage. If CLIENT desires FUGRO to repair and/or pay for damages, FUGRO will undertake the repairs and add the pre-agreed cost to FUGRO's fee.
 - 2.3 Toxic and Hazardous Materials. CLIENT will provide FUGRO with all information within CLIENT's possession or knowledge as to the potential occurrence of toxic or hazardous materials, or Biological Pollutants (as defined in 9. below) at the site being investigated. If unanticipated toxic or hazardous materials, or biological pollutants are encountered, FUGRO reserves the right to demobilize FUGRO's field operations at CLIENT's expense. Remobilization will proceed following consultation with FUGRO's safety coordinator and CLIENT's acceptance of proposed safety measures and fee adjustments.
 - 2.4 Utilities and Pipelines. While performing FUGRO's fieldwork, FUGRO will take reasonable precautions to avoid damage to subterranean and subaqueous structures, pipelines, and utilities. CLIENT agrees to defend, indemnify, and hold FUGRO harmless for any damages to such structures, pipelines, and utilities that are not called to FUGRO's attention and/or correctly shown on plans furnished to FUGRO.
 - 2.5 Site Safety. FUGRO is not responsible for the job site safety of others, nor does FUGRO have stop-work authority over work by others. However, FUGRO will conduct its work in a safe, workman-like manner, and will observe the work-site safety requirements of CLIENT that have been communicated to FUGRO in writing.
3. Standard of Care
 - 3.1 FUGRO will perform its services consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions in the same location.
 - 3.2 CLIENT acknowledges that conditions may vary from those encountered at the location where borings, surveys, or explorations are made and that FUGRO's data, interpretations, and recommendations are based solely on the information available to FUGRO, and FUGRO is not responsible for the interpretation by others of the information developed.
4. Limitation of Remedies
To the greatest extent permitted by law, CLIENT's sole remedy against FUGRO for claims and liabilities in any way arising out of or directly or indirectly related to FUGRO's work for CLIENT will not exceed an aggregate limit of \$50,000 or the amount of FUGRO's fee, whichever is greater, regardless of the legal theory under which remedy is sought, whether based on negligence [whether sole or concurrent, active or passive], breach of warranty, breach of contract, strict liability or otherwise. In the event CLIENT does not wish to limit FUGRO's remedy to this sum, and if CLIENT requests in writing prior to acceptance of this Agreement, FUGRO agrees to negotiate a greater remedy amount in exchange for an increase in scope and fee appropriate to the project and remedy risks involved.
5. Invoices and Payment
At FUGRO's discretion, invoices will be submitted at the completion of task elements, or monthly for services rendered. Payment is due upon presentation of FUGRO's invoice and is past due thirty- (30) days from invoice date. CLIENT agrees to pay a financing charge of one percent (1%) per month (or the maximum rate allowable by law, whichever is less), on past due accounts, and agrees to pay attorney's fees or other costs incurred in collecting any delinquent amount.
6. Data, Records, Work Product and Report(s), and Samples
Data, Records, Work Product and Report(s) are FUGRO's property. All pertinent records relating to FUGRO's services shall be retained for a minimum of two (2) years after completion of the work. CLIENT shall have access to the records at all reasonable times during said period. FUGRO will retain samples of soil and rock for a minimum of 30 days after submission of FUGRO's report unless CLIENT advises FUGRO otherwise. Upon CLIENT's written request, for an agreed charge FUGRO will store or deliver the samples in accordance with CLIENT's instructions.
7. Indemnification
Each party (Indemnitor) shall protect, defend, indemnify and hold harmless the other party (Indemnitee) from and against any claims, damages, losses, and costs arising from this Agreement or the project, including, but not limited to, reasonable attorney's fees and litigation costs, to the extent such claims, damages, losses or costs are caused by the negligence of the Indemnitor regardless of the negligence of the Indemnitee its employees, affiliated corporations, officers, and sub-tier parties in connection with the project.
8. Consequential Damages
Notwithstanding any other provision of this Agreement, CLIENT and FUGRO waive and release any claim against the other for loss of revenue, profit or use of capital, loss of services, business interruption and/or delay, loss of product, production delays, losses resulting from failure to meet other contractual commitments or deadlines, downtime of facilities, or for any special, indirect, delay or consequential damages resulting from or arising out of this Agreement, or as a result of or in connection with the work, and whether based on negligence (whether sole or concurrent, active or passive), breach of warranty, breach of contract, strict liability or otherwise.
9. Biological Pollutants
FUGRO's scope of work does not include the investigation, detection, or design related to the presence of any Biological Pollutants. The term "Biological Pollutants" includes, but is not limited to, mold, fungi, spores, bacteria, and viruses, and the byproducts of any such biological organisms. CLIENT agrees that FUGRO will have no liability for any claim regarding bodily injury or property damage alleged, arising from, or caused directly or indirectly by the presence of or exposure to any Biological Pollutants. In addition, CLIENT will defend, indemnify, and hold harmless FUGRO from any third party claim for damages alleged to arise from or be caused by the presence of or exposure to any Biological Pollutants. If CLIENT requests in writing prior to acceptance of this Agreement, FUGRO will negotiate a greater limitation amount, and remove CLIENT's responsibilities, in exchange for an increase in fee to develop an expanded scope of work to provide biological pollutant protection.
10. Acceptance of Agreement
These GENERAL CONDITIONS have been established in large measure to allocate certain risks between CLIENT and FUGRO. FUGRO will not initiate service without formal agreement on the terms and conditions set forth in these GENERAL CONDITIONS. Acceptance or authorization to initiate services shall be considered by both parties to constitute formal acceptance of all terms and conditions of these GENERAL CONDITIONS. Furthermore, all preprinted terms and conditions on CLIENT's purchase order or purchase order acknowledgment forms are inapplicable to these GENERAL CONDITIONS and FUGRO's involvement in CLIENT's project.
11. Termination of Contract
CLIENT and FUGRO may terminate services at any time upon ten (10) days written notice. In the event of termination, CLIENT agrees to fully compensate FUGRO for services performed including reimbursable expenses to the termination date, as well as demobilization expenses. FUGRO will terminate services without waiving any claims or incurring any liability.



FEES FOR CONSTRUCTION MATERIALS TESTING SERVICES

1. Field Technicians	Regular Time⁽¹⁾	Overtime⁽²⁾
1.1 Technician (NICET Level I or equivalent)	\$ 46.00/hour	\$ 56.00/hour
1.2 Senior Technician (NICET Level II, TxDOT Level 1A/1B, Associate Welding Inspector, or equivalent)	\$ 58.00/hour	\$ 68.00/hour
1.3 Senior Supervising Technician (NICET Level III, TxDOT Level II, or equivalent)	\$ 90.00/hour	\$ 100.00/hour
1.4 Certified Welding Inspector	\$ 80.00/hour	\$ 90.00/hour
2. Field Testing and Equipment		Unit Rate
2.1 Transportation (Minimum \$0.60/mile).....		\$ 65.00/trip
2.2 Nuclear Density Tests (In addition to technician time)		\$ 15.00/test
2.3 Torque Wrench.....		\$ 21.00/day
2.4 Dye Penetrant & Magnetic Particle Supplies.....		Cost + 15%
2.5 Ultrasonic Testing Equipment		\$ 26.00/hour
2.6 Asphalt Coring Equipment.....		\$ 26.00/hour
2.7 Concrete Coring Equipment		\$ 26.00/hour
2.8 Concrete Core Bit Charges		+ bit charge
2.8.1 3 inch-diameter Core		\$ 3.00/inch
2.8.2 4 inch-diameter Core		\$ 4.00/inch
2.8.3 6 inch-diameter Core		\$ 6.00/inch
(Other sizes quoted upon request)		
2.9 Floor Flatness/Floor Levelness Equipment (ASTM E1155)		\$ 210.00/day
2.10 Air Content of Fresh Concrete (ASTM C173, C231).....		\$ 19.00/each
2.11 Unit Weight of Fresh Concrete (ASTM C138).....		\$ 42.00/each
2.12 Soil-Lime Field Gradation (TEX-101-E, Part III).....		\$ 37.00/each
2.13 Center-Pull Ram, Gauge and Hand Pump (pull test).....		\$ 52.00/test
3. Laboratory Testing - Soil		
3.1 Natural Moisture Content (TEX-103-E).....		\$ 16.00/each
3.2 Atterberg Limits (TEX-104, 105, 106, 107-E).....		\$ 65.00/each
3.3 Sieve Analysis (TEX-110-E).....		\$ 65.00/each
3.4 Percent Passing No. 200 Sieve (TEX-111-E)		\$ 45.00/each
3.5 Combined Sieve Analysis (TEX-110, 110-E)		\$ 70.00/each
3.6 Moisture Density Relationship (ASTM D 698), (ASTM D 1557), (TEX-113-E), (TEX-114-E).....		\$ 235.00/each
3.7 Texas Triaxial Compression Test on Base Material (TEX-117-E Part II).....		\$1,600.00/set of 9
3.8 Wet Ball Mill (TEX-116-E)		\$ 170.00/each
3.9 Permeability of Silt or Clay (ASTM D 5084)		\$ 450.00/each
3.10 Sample Remolding.....		\$ 65.00/each
3.11 Sample Preparation (Soils with P.I. >25, or TEX-101-E)		\$ 65.00/sample
3.12 Soil pH (TEX-128-E)		\$ 65.00/each
3.13 Soil-Lime pH Series (6 points, TEX-121-E, Part III).....		\$ 220.00/set
3.14 Soluble Sulfates (TEX-145-E)		\$ 95.00/each
3.15 Hydrometer (ASTM D422)		\$ 235.00/each
4. Laboratory Tests - Concrete and Cement		
4.1 Sodium Soundness of Aggregate (ASTM C88)		\$ 285.00/each
4.2 Aggregate Sieve Analysis (ASTM C136)		\$ 73.00/each



4.3	Specific Gravity of Aggregate (ASTM C127, 128).....	\$ 73.00/each
4.4	Absorption of Aggregate (ASTM C127, 128)	\$ 73.00/each
4.5	Unit Weight of Aggregate (ASTM C29).....	\$ 73.00/each
4.6	Concrete Cylinder Compressive Strength (ASTM C39).....	\$ 19.00/each
4.7	Beam Flexural Strength (ASTM C 78)	\$ 53.00/each
4.8	Mortar Cube Compressive Strength (ASTM C780).....	\$ 19.00/each
4.9	Grout Specimen Compressive Strength (ASTM C1019).....	\$ 47.00/each
4.10	Concrete Masonry Unit Strength (ASTM C140).....	\$ 85.00/each
4.11	Concrete Masonry Unit Prism Strength (ASTM C1314).....	\$ 235.00/each
4.12	Drilled Core Compressive Strength (ASTM C42).....	\$ 85.00/each

5. Laboratory Testing - Asphalt and Roofing

5.1	Mix Design (Hveem or Marshall Method)	Quoted on Request
5.2	Molding Test Specimens, 3 per set (TEX-206-F), Bulk Density (TEX-207-F), and Stability (TEX-208-F)	\$ 135.00/set
5.3	Determine Maximum Theoretical Density (TEX-227-F)	\$ 78.00/each
5.4	Asphalt Content & Gradation (TEX-236-F, 200-F), oven	\$ 240.00/each
5.5	Asphalt Oven Correction Factors (TEX-236-F, 200-F), oven	\$1,150.00/each
5.6	Asphalt Content and Gradation (ASTM D2172), extraction	\$ 420.00/each
5.7	Bulk Specific Gravity of Asphalt Core (TEX-207-F)	\$ 47.00/each
5.8	Roof Ballast Sieve Analysis	\$ 63.00/each
5.9	Oven Dried Moisture Content of Roofing Materials.....	\$ 37.00/each

6. Laboratory Testing - Structural Steel

6.1	Weld Procedure and Welder Qualification Testing Rates	Quoted on Request
6.2	Laboratory Density of Field Cut Fireproofing.....	\$ 53.00/each

7. Report Preparation

Special requests for archived report retrieval, re-distribution, faxing, hard-copy mailing, and preparation of engineered reports and submittals will be invoiced at the following rates:

7.1	Word Processing	\$ 58.00/hour
7.2	Drafting.....	\$ 79.00/hour
7.3	Reproduction	Cost + 15%
7.4	Postage and Overnight Service.....	Cost + 15%

8. Engineering Consultation

8.1	Senior Consultant or Project Principal.....	\$ 205.00/hour
8.2	Project Manager	\$ 165.00/hour
8.3	Project Engineer, Laboratory Manager	\$ 140.00/hour
8.4	Geologist	\$ 140.00/hour
8.5	Graduate Professional.....	\$ 105.00/hour
8.6	Senior Supervising Technician.....	\$ 90.00/hour

9. Outside Services..... Cost + 15%

Notes: (1) Minimum call-out charge for CMT technician and equipment or sample pick-up is 2 hours. Minimum call-out charge for CWI technician is 4 hours. Charges are accrued portal to portal.

(2) Overtime rates are applicable to time worked in excess of 8 hours per day, Monday through Friday; hours worked before 7:00 am and after 6:00 pm; and all hours worked on Saturdays, Sundays, and holidays.

REGULAR MEETING
Alliance Regional Water Authority Executive Committee

COMMITTEE MEMBER PACKETS
Wednesday, February 14, 2018 at 2:00 P.M.
520 E. RR 150, Kyle, Texas 78640

- C.5** Discussion and possible recommendation to the Board to approve new bylaws and rules for the Authority. ~ *Mark Taylor, Legal Counsel*
-

Background/Information

The Hays Caldwell Public Utility Agency originally adopted its Bylaws shortly after its formation in 2007. No changes have been made to them since that time. Updated bylaws are needed as a result of the enactment of SB 1198 and the conversion to the Alliance Regional Water Authority.

Mark Taylor drafted the revisions to the bylaws. Graham Moore participated extensively in the revisions and the Authority's bond counsel, Carol Polumbo also reviewed the revisions and provided input.

The first draft was discussed with the Executive Committee members that were able to attend the January meeting. Based on that feedback, Mark Taylor sent out an updated set of bylaws and rules on February 3rd. There have been a few additional modifications that are included in the attached set of documents. All text changes in the bylaws and rules from the February 3rd version are highlighted in yellow.

The changes indicated in the table will be discussed individually, along with any additional questions that the Executive Committee has on the proposed bylaws. There is not a deadline for approval of the new bylaws.

Attachment(s)

- Summary of Bylaws Changes – February 9, 2018
- Bylaws – Draft showing edits 2018-02-09
- Bylaws – Clean Draft 2018-02-09
- Rules – Draft 2018-02-09

Executive Committee Decisions Needed:

- Discussion and possible recommendation to the Board to approve the new bylaws and rules for the Authority.

Alliance Regional Water Authority
Summary of Significant Changes (compared to HCPUA Bylaws)
Prepared by Mark B. Taylor, General Counsel
February 9, 2018

Note: Changes since Executive Committee discussion on January 10th are highlighted.

Section (in “Draft showing edits” unless stated otherwise)	Description of Change	Basis for Change
1.1	Definitions are compiled in one section	Staff updating
2.2	Powers and duties of Alliance Water are delineated, with references to SB 1198; includes the authority to accept gifts and grants, formerly in old Section 6.3	SB 1198
3.1.E	Qualifications to serve as director are added – 18 years old; and a resident of Alliance Water territory, or an employee of a Sponsor	SB 1198
3.1.I	Requires reapportionment of Directors among the Sponsors when a Sponsor is added or removed	SB 1198
3.1.J	Requires Board to consider reapportionment of Directors among the Sponsors based on changes in contracted supplies	Staff updating
3.1.K	Alliance Water Board may increase or decrease number of Directors – minimum of 7, maximum of 17	SB 1198
3.1.L	Provides for recommendation of Executive Director on any reapportionment of Directors among the Sponsors	Exec Comm
Old section 4.3	Requirement for Board to hold annual meetings is deleted	Exec Comm
3.3.A	Special/emergency meetings may be called at the request of three directors, rather than a majority of the Directors	Staff updating
3.4.A	Adds limited allowance for Directors to attend meetings by conference call or videoconference	Staff updating
3.4.C	Adds a requirement for a majority of all Directors to create a committee, elect or remove an officer, adopt an emergency rule, reapportion the Directors among the Sponsors, or waive privilege or confidentiality (to prevent a disclosure by one Director from being used against the Authority)	Exec Comm/Staff updating
3.4.D	Changes supermajority requirement for issuance of debt from nine votes to 2/3 of all Directors; adds 2/3 vote requirement for hiring/firing Executive Director and for adding or removing a Sponsor; deletes 2/3 requirement for creating executive (technical) committee	Staff updating
3.6	Provides that Board meeting agendas are prepared by the Executive Director, in consultation with the Board Chair as needed. Allows one or more Directors to request agenda	Staff updating

	items. Provides for public comment at regular Board meetings. These will match rules on “Procedures before the Board”.	
3.7	Executive Committee changed to Technical Committee; allows for nonvoting members who are not Directors	Staff updating
3.8	Provides that Advisory Committee members will not be Directors; the Board by resolution will set the number of members and topics to be addressed.	Exec Comm
3.9	New section allows for the Board to create standing and temporary committees	Staff updating
3.10	Requires 2/3 vote of Board to appoint/remove Executive Director	Exec Comm
Old section 4.11	Provisions for ex-officio Directors are deleted	Exec Comm
Old section 4.12	Provision for reliance by Director on consultant information is deleted (was based on private corporate bylaws)	Staff updating
4.4, 4.5	Allows for delegation of Treasurer/Secretary duties with Board approval by resolution	Staff updating
4.6	Allowance for reimbursement of Director expenses is deleted	Exec Comm
Old section 6.5	“Prohibited Acts” of Directors is moved to 12.3	Staff updating
Article 6	Provides for adoption and enforcement of rules –	SB 1198
6.2	Rules affecting Sponsors/customers require 10 days’ notice and public hearing by the Board before adoption	Exec Comm
6.3	Emergency rules require two hours’ notice, and for rules affecting Sponsors/customers, public hearing by the Board before adoption	Exec Comm
6.4	Other rules require 72 hours’ notice and public hearing by the Board before adoption	Exec Comm
Article 8	Describes the process for adding and removing Sponsors per statutory requirement; provides for 2/3 vote	SB 1198
Old Article 8	Provision for dissolution of the entity is deleted	SB 1198
9.2	How notice is given to a Sponsor or Customer is specified (goes to presiding officer of governing body and to CEO)	Staff updating
Old section 12.12	Provision allowing for termination of the entity is deleted	SB 1198
Section 12.4	Code of ethics is updated to include references to specific ethics laws (note: old section on nepotism is replaced by reference to Gov’t Code Chapter 573 in this section)	Staff updating
Article 13	Bylaws changes are subject to approval by majority of all Directors; approval of the Sponsors is not required	SB 1198

[Note: Due to automatic formatting embedded in the original bylaws, the edits caused some of the article and section numbering to differ from that used in the original bylaws.]

BYLAWS

OF THE

**HAYS CALDWELL PUBLIC UTILITY AGENCY ALLIANCE REGIONAL WATER
AUTHORITY**

~~A Texas Public Utility Agency~~

~~(Created by the Legislature of the State of Texas as a regional water authority in Bexar, Caldwell, Comal, Guadalupe, and Hays Counties, under and essential to accomplish the purposes of Article XVI, Section 59 of the Texas Constitution duly constituted agency and political subdivision of the State of Texas by concurrent ordinances approved by the authority acting on behalf of the City of Buda, Texas, the City of Kyle, Texas, the City of San Marcos, Texas and the Canyon Regional Water Authority)~~

Date of Adoption: ~~January 30, 2007~~ _____, 2018

BYLAWS
OF
HAYS CALDWELL PUBLIC UTILITY AGENCY ALLIANCE REGIONAL WATER
AUTHORITY

ARTICLE 1
DEFINITIONS AND GENERAL PROVISIONS OFFICES

Section 1.1 Definitions. Unless the context clearly indicates a different meaning, the terms below shall have the following meanings in these Bylaws:

- A. “Authority” means the Alliance Regional Water Authority.
- B. “Board” means the board of directors of the Authority.
- C. “Customer” means a local government or private entity that is not a Sponsor and which has a contract with the Authority for water or wastewater services.
- D. “Director” means a member of the Board.
- E. “District” means any district, authority or other entity created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, regardless of the manner of creation.
- F. “Enabling Act” means the Authority’s enabling legislation (Act of May 28, 2017, 85th Leg., R.S., ch. 806) and codified in Chapter 11010 of the Texas Special District Local Laws Code.
- G. “Executive Director” means the person appointed by the Board as the chief executive officer of the Authority.
- H. “Local government” means:
 - 1. a municipality, county, district, or other political subdivision of this state;
 - 2. a local government corporation;
 - 3. a nonprofit corporation created to act on behalf of a local government; or
 - 4. a combination of two or more of the entities described by this subsection.
- I. “Open Meetings Act” means the State Open Meetings Act, Chapter 551, Texas Government Code, as amended.
- J. “Private entity” includes an individual, corporation, organization, business trust, estate, trust, partnership, and association and any other legal entity that is not a local government or a governmental body or agency.
- K. “Public Information Act” means the State Public Information Act, Chapter 552, Texas Government Code, as amended.
- L. “Sponsor” means:
 - 1. the City of Kyle;
 - 2. the City of San Marcos;

3. the City of Buda;
4. the Canyon Regional Water Authority; and
5. any other local government or private entity added to the Authority as a Sponsor under Section 11010.005 of the Enabling Act.

M. “State” means the State of Texas.

N. “Water” includes:

1. groundwater, percolating or otherwise, notwithstanding the quality of the groundwater;
2. any surface water, naturally or artificially impounded or in a navigable or nonnavigable watercourse; and
3. municipal wastewater or industrial wastewater, including municipal wastewater or industrial wastewater that has been treated to a quality suitable for reuse for a beneficial use.

Section 1.2 Authority Territory. The Authority is composed of the territory:

(A) of the Sponsors, including territory within the municipal boundaries of a Sponsor that is a municipality;

(B) located in the service areas of the Sponsors as provided by the Sponsors’ respective certificates of convenience and necessity; and

(C) added to and not excluded from the Authority in accordance with applicable law.

~~Section 1.1~~Section 1.3 Principal Business Office. The ~~principal business office and mailing address of the Authority is 630 East Hopkins Street, San Marcos, TX 78666~~Hays Caldwell Public Utility Agency (the “Agency”) in the State of Texas (the “State”) shall be located at Kyle City Hall, Kyle, Texas 78640. The ~~Agency~~Authority may have such other offices, ~~either in Texas or elsewhere,~~ as the Board ~~of Directors~~ may determine. The Board ~~of Directors~~ may change the location of any office of the ~~Agency~~Authority.

~~Section 1.2~~ Registered Office and Registered Agent. The Agency shall comply with the requirements of Chapter 422, Texas Local Government Code, as amended (the “Act”), and shall maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical with the Agency’s principal office in Texas. The Board of Directors may change the registered office and the registered agent.

ARTICLE 2 NO MEMBERS

No Members. The Agency shall have no members.

~~ARTICLE 3~~ARTICLE 2 PURPOSES AND POWERS

~~Section 3.1~~Section 2.1 Purposes. The ~~Agency Authority~~ is organized and will be operated exclusively for the purposes set forth in the ~~Act~~created to serve a public use and benefit, and to

~~benefit land and property included in the territory of the Authority through the works and projects to be accomplished by the Authority under powers conferred by Article XVI, Section 59 of the Texas Constitution, and powers granted under the Enabling Act. The Agency is organized for the purpose of aiding, assisting, and acting as a separate agency, political subdivision of the State of Texas and political entity and corporate body in accordance with the Act, as created by concurrent ordinances adopted by the cities of San Marcos (herein "San Marcos"), Kyle (herein "Kyle"), and Buda (herein "Buda"), and the Canyon Regional Water Authority (herein "CRWA") [individually a "Sponsor" and collectively the "Sponsors"] to (i) achieve economies of scale in providing essential water and sewage systems to the public, (ii) promote the orderly economic development of the State, and (iii) provide environmentally sound protection of the State's future water and wastewater needs.~~

~~*Section 2.2 Powers and Duties.* The Agency Authority is a public utility agency regional water authority pursuant to the Act and is authorized to exercise all powers privileges and rights conferred on a public utility agency conservation and reclamation districts under Article XVI, Section 59 of the Texas Constitution, and all powers conferred on the Authority by the Enabling Act, and all powers and rights incidental in carrying out the purposes for which the Agency is formed including without limitation, the following:~~

~~A. The general powers and duties as described in Section 11010.101 of the Enabling Act, including without limitation, ownership of water and wastewater facilities, ownership of interests in sources of water supply, and financing through bonds, notes, and other obligations;~~

~~B. The authority to adopt and enforce policies, rules and bylaws as described in Section 11010.102 of the Enabling Act;~~

~~C. The power of eminent domain as described in Section 11010.103 of the Enabling Act;~~

~~D. The authority to adopt and enforce water conservation or drought contingency plans as described in Section 11010.104 of the Enabling Act;~~

~~E. The authority to acquire utility facilities from a Sponsor as described in Section 11010.105 of the Enabling Act;~~

~~F. The authority to enter into contracts as described in Sections 11010.106 and 11010.107 of the Enabling Act;~~

~~G. The authority to set rates and fees as described in Section 11010.108;~~

~~H. The authority to accept gifts and grants as described in Section 11010.152 of the Enabling Act; and~~

~~I. The authority to issue bonds, notes or other obligations as described in Sections 11010.201 through 11010.205 of the Enabling Act and under other applicable law.~~

~~*Section 3.2*~~

~~*Section 3.3*—The Agency shall have and exercise all of the rights, powers, privileges, and functions given by the general laws of Texas to a public utility agency created pursuant to the Act.~~

~~Section 3.4~~ The Agency shall have all other powers of a like or different nature not prohibited by law which are available to political subdivisions in Texas and which are necessary or useful to enable the Agency to perform the purposes for which it is created, including the power to issue bonds, notes or other obligations, and otherwise exercise its borrowing power to accomplish the purposes for which it was created, provided that the Agency shall not issue bonds or notes or incur debt for a particular project without the consent of those Sponsors who are entering into a contract with the Agency for the particular project.

~~Section 3.5~~ The Agency was created for the public purposes stated in the Act and will be operated not for profit. The Agency shall not permit any part of the net earnings of the Agency to inure to the benefit of any private individual, except that reasonable compensation may be paid for personal services rendered to or for the Agency affecting one or more of its purposes.

ARTICLE 4~~ARTICLE 3~~

BOARD OF DIRECTORS; COMMITTEES; MEETINGS; EXECUTIVE DIRECTOR

~~Section 4.1~~Section 3.1 Role of the Board; Appointment, Classes, Powers, Number, and Term of Office of Directors.

A. The Authority is governed by the Board. The Board is responsible for the management, operation, and control of the Authority. All powers of the Agency shall be vested in the Board of Directors (the "Board"). The Board shall initially consist of thirteen (13) persons. The Agency's directors (the "Director" or "Directors") shall be appointed by position to the Board by the Sponsors in accordance with concurrent ordinances (together, the "Ordinance") creating the Agency adopted by each Sponsor in accordance with Section 422.055 of the Act. The Chair of the Board shall be selected by the Board from among the Directors. The City of San Marcos, Texas appoints five (5) Directors, Canyon Regional Water Authority appoints four (4) Directors, the City of Kyle, Texas appoints three (3) Directors, and the City of Buda, Texas appoints one (1) Director. The composition of the Board shall be based upon the amount of water acquired for each Sponsor pursuant to the terms of the water supply contracts and shall be revised as necessary.

B. The number of Directors is set at thirteen. The Directors are apportioned among the Sponsors based on the amount of water contracted to be supplied to the Sponsors under the terms of the Authority's Regional Water Supply Contract (subject to a minimum of one Director for each Sponsor), as follows: The City of San Marcos, Texas appoints five Directors, Canyon Regional Water Authority appoints four Directors, the City of Kyle, Texas appoints three Directors, and the City of Buda, Texas appoints one Director. Each initial Director shall serve for a term which expires on the date set forth in the Ordinance, or until his or her successor is appointed by a Sponsor, unless such Director has been appointed to fill an unexpired term in which case the term of the Director shall expire on the expiration date of the term of the Director whose position he or she was appointed to fill. The terms of Directors appointed by the Sponsors subsequent to the initial Directors shall expire on the date which is at least two (2) years after the date of the appointment of that Director. The appointment of Directors by each Sponsor may be evidenced by minute entry or by adoption of an ordinance or resolution. The terms of Directors shall expire on September 30. Any Director may be removed from office at any time, with or without cause, by the Sponsor who appointed that Director. The number of Directors or expiration date of the terms may be increased or decreased only by an amendment to these Bylaws and with the written consent of all of the Sponsors. The Sponsors which appoint more than one member to the Board shall appoint members with staggered terms that expire on September 30. Directors, unless removed

~~from office by the Sponsor who appointed them, shall continue to perform the duties of their offices until their successors are appointed and duly qualified~~

C. Unless replaced by a Sponsor, directors of the Hays Caldwell Public Utility Agency serving on the effective date of the Enabling Act shall serve as the temporary Directors of the Authority until the initial Directors appointed under subsection F. below take office on May 1, 2018.

A-D. Action by a Sponsor to appoint or remove a Director shall be in the form of a minute entry, ordinance or resolution approved by the Sponsor's governing body.

B-E. To be eligible to serve as a Director, a person must be at least 18 years of age, and must be either a resident of the territory located in the Authority, or an employee of a Sponsor. A Director who also serves on the governing body of a Sponsor is not a dual officeholder and is not prohibited by the common law doctrine of incompatibility from serving on both the Board and the governing body. Service on the Board by a public officeholder is an additional duty of that person's office.

F. The Sponsors shall appoint the initial Directors not earlier than April 1, 2018, and not later than April 30, 2018. As soon as practicable after the initial Directors have been appointed, the initial Directors shall draw lots to determine which Directors serve a one-year term expiring April 30, 2019, which Directors serve a two-year term expiring April 30, 2020, and which Directors serve a three-year term expiring April 30, 2021. The lots must be split into thirds or as near to thirds as possible. Thereafter, the Directors shall serve staggered three-year terms, and the Sponsors shall appoint Directors not earlier than April 1 and not later than April 30 of the year in which the respective terms of the Directors expire. A Director's term begins on May 1 of the year the Director is appointed. A Director may not serve more than five full consecutive terms as a Director.

G. A Sponsor that appoints a Director may remove the Director from office at any time, with or without cause.

H. If there is a vacancy on the Board, the governing body of the Sponsor that appointed the Director who vacated the office shall appoint a Director to serve the remainder of the term.

I. After the addition or removal of a Sponsor under Subchapter A of the Enabling Act, the Board by rule shall reapportion the Directors among the Sponsors based on the amount of water contracted to be supplied to each Sponsor under the terms of the Authority's water supply contracts with the Sponsors, subject to a minimum of one Director for each Sponsor.

B-J. In connection with a change to the amount of water contracted to be supplied by the Authority to the Sponsors under the terms of the Authority's water supply contracts with the Sponsors, the Board shall determine whether a change in the number of Directors or in the apportionment of Directors among the Sponsors is appropriate. If the Board determines such a change is appropriate, the Board by rule shall proceed to make the change.

K. The Board by rule may increase or decrease the number of Directors on the Board, subject to a minimum of seven Directors and a maximum of 17 Directors, and subject to the requirement that each Sponsor is entitled to appoint at least one director.

D.L. Before the Board reapportions the Directors among the Sponsors for any reason, or increases or decreases the number of Directors on the Board for any reason, the Board will ask the Executive Director for a recommendation on the proposed change.

~~Section 4.2~~Section 3.2 Regular Meetings of Board. The Board ~~may~~will hold its regular meetings ~~and may have an office and keep the books of the Agency at such place or places as the Board may from time to time determines by resolution; provided, however, in the absence of any such determination, such place shall be the registered office of the Agency in the State of Texas.~~ Meetings of the Board shall be subject to applicable provisions of the State Open Meetings Act, Chapter 551, as amended, Texas Government Code (the “Open Meetings Act”).

~~Section 4.3—Annual Meetings.~~ The annual meeting of the Board shall be held at the time and at the location designated by the resolution of the Board for the purpose of transacting such business as may be brought before the Board at the meeting.

~~Section 4.4—Regular Meetings.~~ Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by resolution of the Board.

~~Section 4.5~~Section 3.3 Special and Emergency Board Meetings.

A. Special and emergency meetings of the Board shall be held whenever called by the Chair or the Secretary ~~of the Board~~, or by a majority of the ~~at the written request of three~~ Directors, ~~to the extent permitted by the Open Meetings Act.~~

B. The Secretary Authority shall give notice of each special meeting to each Director ~~and to any ex-officio directors~~ in person or by facsimile, mail, or electronic mail.

C. The Secretary Authority shall give notice of each emergency meeting to each Director ~~and to any ex-officio directors~~ in person or by facsimile, mail, or electronic mail. The notice on its face shall describe the emergency that gave rise to the need for the meeting.

D. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Agency Authority may be considered and acted upon at a special or emergency meeting. ~~At any meeting at which every Director shall be present, even though without any personal notice, any matter pertaining to the purposes of the Agency may be considered and acted upon.~~

~~Section 4.6~~Section 3.4 Quorum; Required Vote~~Super Majority.~~

A. Seven ~~A majority of all of the~~ Directors shall constitute a quorum of the Board. The Board may not conduct business unless a quorum of the Board is present, either in person or by telephone conference call or videoconference to the extent permitted under the Open Meetings Act. If at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn ~~continue~~ the meeting from time to a time not later than the day immediately following the date for which notice of the meeting was given.

B. ~~Except as hereinafter provided, t~~The ~~aet~~-concurrence of a majority of the Directors present and voting at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the ~~aet~~-concurrence of a greater number is required by law, or by rules adopted by the Board, which shall be incorporated in these Bylaws.

C. In accordance with Section 4.3.C of the Rules of the Authority, F~~the~~ concurrence of ~~seven (7) or more~~a majority of all of the Directors (by voting in favor of a matter at a Board meeting at which a quorum of the Board is in attendance) shall be required for any of the following actions:

1. The award of a construction contract in an amount greater than \$100,000.
2. Approving a contract for the supply of water by the Authority~~Agency~~.
- ~~3. Hiring or firing a general manager of the Agency.~~
- ~~3. As further provided in Article XIII hereof, a proposal to~~An ~~amendment to~~ these Bylaws.
4. Creation of a committee.
5. Election or removal of an officer of the Board.
6. Adoption of an emergency rule.
7. A change in the apportionment of Directors among the Sponsors.
- ~~4.8.~~ Any waiver of confidentiality or privilege related to any attorney-client communication between any legal counsel of the Authority and the Board, any committee, or any officer, Director, committee member, employee or agent of the Authority.

D. In accordance with Section 4.3.D of the Rules of the Authority, F~~the~~ concurrence of ~~nine (9) or more~~at least two-thirds of all of the Directors (~~by voting in favor of a matter at a Board meeting at which a quorum of the Board is in attendance~~) shall be required for any of the following actions:

1. Authorizing the issuance of bonds or the approval of a promissory note or other instrument creating debt.
- ~~2. Creation of an Executive Committee~~Appointing or terminating an Executive Director.
- ~~2.3.~~Issuing an order adding or removing a Sponsor from the Authority.

E. A Director who is present at a meeting of the Board at which any Agency~~Authority~~ action is taken shall be presumed to have assented to such action unless his or her dissent or abstention ~~shall be~~is entered in the minutes of the meeting, or unless the Director files his or her written dissent or abstention to such action with the person acting as the secretary of the meeting

before the adjournment thereof. Such right to dissent or abstain shall not apply to a Director who voted in favor of the action.

Section 3.5 Open Meetings Act. All meetings of the Board shall be subject to applicable provisions of the Open Meetings Act.

~~Section 4.7~~Section 3.6 Board Meeting Agendas; Conduct of Business.

A. Agendas for Board meetings will be prepared by the Executive Director, with consultation with the Chair as needed. The Executive Director or Chair may include an item on an agenda upon written request by one or more Directors. The agenda for each regular meeting shall include an item under which the public may offer comments on matters related to Authority business.

~~A.B. At the meetings of the Board, matters pertaining to the purposes of the Agency shall be considered in such the order as the Board determines is appropriate from time to time the Board may determine.~~

~~B.C. At all meetings of the Board, the Chairperson shall preside, and in the absence of the Chairperson, the Vice Chairperson shall preside. In the absence of the Chairperson and the Vice Chairperson, the Board shall choose an acting chairperson shall be chosen by the Board for that meeting from among the Directors present.~~

~~C. The Secretary of the Agency shall act as secretary of all meetings of the Board, but in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.~~

D. Each Director is entitled to one vote on any issue before the Board.

~~E. The Board shall appoint a General Manager and designate the duties and responsibilities of the General Manager or other designee pursuant to a resolution.~~

~~Section 4.8~~Section 3.7 Executive Technical Committee; Other Committees. The Board may, by resolution ~~passed by at least nine (9) of the Directors, designate three (3) or more Directors to constitute~~ create a executive technical committee consisting of three or more Directors as voting members, and one or more persons who are not Directors as non-voting members or other type of committee. To the extent provided in the authorizing resolution, ~~the~~ committee may exercise the powers ~~designated~~ delegated by the Board in the management of the ~~Agency Authority, except where Any such delegated powers shall not extend, however, to matters for which~~ action of the Board is required by statute or in these Bylaws. ~~The~~ A committee shall address the matters and act in the manner provided in the authorizing resolution. ~~Each~~ The committee ~~so designated~~ shall keep regular minutes of ~~the transactions of~~ its meetings and shall cause ~~such the~~ minutes to be recorded in books kept for that purpose maintained in the office of the ~~Agency Authority~~, and shall report ~~the same on~~ its activities to the Board from time to time. ~~The Authority Committees authorized to exercise the powers of the Board~~ shall give notice of any meeting of the committee in the manner required for a meeting of the Board under the Open Meetings Act and these Bylaws.

~~Section 4.9 Compensation of Directors. Directors, as such, shall not receive any salary or compensation for their services as Directors; provided, that Directors may be reimbursed for~~

~~expenses which are reasonable and necessary in carrying out the Agency's purposes in accordance with written policies approved by the Board.~~

Section 3.8 Advisory Committee. The Board may, by resolution, establish an Advisory Committee composed of persons who are not Directors and who are, in the judgment of the Board, qualified to advise with respect to ~~the~~ activities of the Agency Authority. Members of the Advisory Committee shall serve for a term of one ~~(1)~~ year or ~~such for a~~ longer term ~~as may be~~ fixed by the Board, not to exceed four ~~(4)~~ years. Advisory Committee members shall be appointed by the Board, and may be removed by the Board at any time with or without cause. The number of members of the Advisory Committee and the topics to be addressed by the committee shall be fixed ~~from time to time~~ by the Board by resolution. The officers and Directors of the Agency Authority may consult with the Advisory Committee from time to time with respect to the activities of the Agency Authority, but the Advisory Committee shall in no way restrict the powers of the Board nor limit its responsibilities or obligations. The Advisory Committee shall have no responsibility for the management of the affairs of the Agency Authority. ~~Advisory Committee members shall not receive any salary or compensation for their services as Advisory Committee members; provided, that nothing contained herein shall be construed to preclude any Advisory Committee members may be reimbursed for expenses which are reasonable and necessary in carrying out the Agency's purposes in accordance with written policies approved by the Board~~

Section 3.9 Other Committees.

A. Standing Committees. The Board may, by resolution, create a standing committee of Directors to address one or more topics of an ongoing nature in the management of the Authority. The resolution shall specify the number of committee members, and it may include a delegation of authority to the committee in matters for which action of the Board is not required by statute or in these Bylaws. A committee shall consist of Directors as voting members, and it may include persons who are not Directors as non-voting members. Committee members shall be appointed by the Board, and may be removed by the Board at any time with or without cause. The committee shall address the topics and act in the manner provided in the resolution. The committee shall keep minutes of its meetings, which shall be maintained in the office of the Authority, and shall report on its activities to the Board from time to time. If the committee is authorized to take action on behalf of the Authority, the Authority shall give notice of the committee's meetings in accordance with the Open Meetings Act.

B. Temporary Committees. The Board may, by resolution or by motion and vote, designate three or more Directors, as voting members, and one or more persons who are not Directors as non-voting members, to constitute a temporary committee to address one or more topics. A temporary committee will function only in an advisory role to the Board. The Board may limit the duration of a temporary committee, and may remove or add members. A temporary committee will report on its activities to the Board, but it is not required to keep minutes of its meetings. Because of its purely advisory role, notice of a temporary committee's meetings under the Open Meetings Act is not required.

~~Section 4.10~~Section 3.10 Executive Director. The Board shall appoint an Executive Director and designate the duties and responsibilities of the Executive Director pursuant to a resolution. The resolution may approve an employment agreement in which the duties and responsibilities are designated. The concurrence of at least two-thirds of all of the Directors shall be required to appoint or terminate an Executive Director.

~~Section 4.11—Ex-officio Directors.~~ Sponsors may appoint ~~ex-officio non-voting members to the Board.~~ ~~Ex-officio non-voting directors shall be given notice of meetings in the same manner as a voting Director and may attend any meeting of the Board and participate in discussion of the matters before the Board for consideration but shall not have the right to vote on Board matters.~~

~~Section 4.12—Director's Reliance on Consultant Information.~~ A Director shall not be liable if, while acting in good faith and with ordinary care, he or she relies on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Agency or another person that were prepared or presented by:

- ~~(1) one or more other officers or employees of the Agency;~~
- ~~(2) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence; or~~
- ~~(3) a committee of the Board of which the Director is not a member.~~

~~ARTICLE 5~~ARTICLE 4 BOARD OFFICERS

~~Section 5.1~~Section 4.1 Titles and Term of Office.

A. The officers of the ~~Agency Board~~ shall be a ~~e~~Chairperson of the Board, one or more ~~v~~Vice ~~e~~Chairpersons of the Board, a ~~s~~Secretary, a ~~t~~Treasurer, and such other officers as the Board may from time to time elect or appoint. One person may not hold more than one office, except that a person may serve as both ~~s~~Secretary and ~~t~~Treasurer.

A.B. At the first meeting of the Board after May 1st of each year, the Board shall elect officers from among the Directors. The term of office for each officer ~~(other than the Chairperson)~~ shall be one year commence on the date of such officer's election and terminate on the earlier of: two (2) years; the date that unless the officer is replaced by the Board; or, ~~if the officer is a member of the Board, the date that the officer~~ is no longer a ~~member of the Board~~Director for any reason.

B.C. All officers shall be subject to removal, with or without cause, at any time by a vote of a majority of all of the ~~whole Board~~Directors then appointed and serving.

C.D. A vacancy in the office of any officer shall be filled by the Board for the remainder of the current term of office.

~~Section 5.2~~Section 4.2 Powers and Duties of the Chairperson. The Chairperson shall ~~be a member of the Board and shall~~ preside at all meetings of the Board. He or she shall have such duties as are assigned by the Board. ~~The Chairperson may call special or emergency meetings of the Board.~~

~~Section 5.3~~Section 4.3 Powers and Duties of the Vice Chairperson. ~~The Vice Chairperson shall be a member of the Board.~~ The Vice Chairperson shall perform the duties and exercise the powers of the Chairperson upon the Chairperson's death, absence, disability, or resignation, or upon the Chairperson's inability to perform the duties of his or her office. Any action taken by the Vice Chairperson in the performance of the duties of the Chairperson shall be conclusive evidence of the absence or inability to act of the Chairperson at the time such action was taken.

~~Section 5.4~~Section 4.4 *Treasurer.* The Treasurer shall have custody of all the funds and securities of the Agency Authority which come into his or her hands. When necessary or proper, he or she may endorse, on behalf of the Agency Authority, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Agency Authority in such a bank or banks or depositories ~~as shall be~~ designated ~~in the manner prescribed~~ by the Board; he or she may sign all receipts and vouchers for payments made to the Agency Authority, either alone or jointly with ~~such another officer as is~~ designated by the Board; whenever required by the Board, he or she shall render a statement of ~~his or her case~~ the Authority's accounts; he or she shall enter or cause to be entered regularly in the books of the Agency Authority to be kept by him or her for that purpose full and accurate accounts of all moneys received and paid out on account of the Agency Authority; he or she shall perform all acts incident to the position of Treasurer subject to the control of the Board; and he or she shall, if required by the Board, give such bond for the faithful discharge of his or her duties in such form as the Board may require. The Treasurer may, with approval of the Board by resolution, delegate any or all of these duties on an interim or ongoing basis to another Director, the Executive Director, or a member of the Authority staff.

~~Section 5.5~~Section 4.5 *Secretary.* The Secretary shall act as secretary of all meetings of the Board and keep the minutes of all meetings of the Board in books provided for that purpose; he or she shall attend to the giving and serving of all notices; ~~in furtherance of the purposes of the Agency,~~ he or she may ~~sign with the Chairperson in the name of the Agency and/or~~ attest the signatures of the Chair on thereof, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Authority Agency; he or she shall have charge of the Agency Authority's books, records, documents and instruments; ~~(except the books of account and financial records and securities of which the Treasurer shall have custody and charge),~~ and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to the inspection of any Director ~~upon application~~ at the office of the Agency Authority during business hours; and, he or she shall ~~in general~~ perform all duties incident to the office of Secretary subject to the control of the Board. The Secretary may, with approval of the Board by resolution, delegate any or all of these duties on an interim or ongoing basis to another Director, the Executive Director, or a member of the Authority staff.

~~Section 5.6~~Section 4.6 *No Compensation; — Reimbursement for Expenses.* Board members Directors, even in their capacity as officers, are not entitled to compensation. ~~Board members shall be entitled to reimbursement for expenses which are reasonable and necessary in carrying out the Agency's purposes. The Board shall adopt a resolution describing expenses that are subject to reimbursement and the process for obtaining reimbursement.~~

~~Section 5.7 — Officer's Reliance on Consultant Information.~~ ~~In the discharge of a duty imposed or power conferred on an officer of the Agency, the officer may in good faith and with ordinary care rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Agency or another person that were prepared or presented by:~~

~~(1) one or more other officers or employees of the Agency, including members of the Board;~~
~~or~~

~~A. legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.~~

~~ARTICLE VI~~ARTICLE 5
TRANSACTIONS OF THE ~~AGENCY~~AUTHORITY

~~Section 6.1~~Section 5.1 *Contracts.* The Board ~~of Directors~~ may authorize a committee or any officer or agent of the Agency Authority to enter intoapprove a contract, and may authorize an officer, a Director or the Executive Director to ~~or~~ execute and deliver any instrument in the name of and on behalf of the Agency Authority. This authority may be limited to a specific contract or instrument or it may extend to any number and type category of possible contracts and instruments. Approval by the Board, however, shall be required for any contract such as a water supply contract that serves as a basis for issuance of bonds, notes or other obligations creating debt.

~~Section 6.2~~Section 5.2 *Deposits.* All funds of the Agency Authority shall be deposited to the credit of the Agency Authority in banks, trust companies, or other depositories that the Board ~~of Directors~~ selects.

~~Section 6.3~~ — *Gifts.* ~~The Board of Directors may accept on behalf of the Agency any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Agency. The Board of Directors may make gifts and give charitable contributions that are not prohibited by these Bylaws, state law, or any requirements for maintaining the Agency's federal and state tax status.~~

~~Section 6.4~~Section 5.3 *Potential Conflicts of Interest.* The Agency Authority shall not make any loan to a Director or officer of the Agency. ~~A Director, officer, or committee member of the Agency may lend money to and otherwise transact business with the Agency except as otherwise provided by these Bylaws and all applicable laws. Such a person transacting business with the Agency has the same rights and obligations relating to those matters as other persons transacting business with the Agency. The Agency Authority, and shall not borrow money from or otherwise transact business with a Director, officer, or committee member of the Agency Authority unless the transaction is described fully in a legally binding instrument, and is in the best interests of the Agency Authority, is accompanied by. The Agency shall not borrow money from or otherwise transact business with a Director, officer, or committee member of the Agency without full disclosure of all relevant facts, and without the approval of~~ is approved by the Board ~~of Directors~~; ~~not including the vote of any person having a personal interest in the transaction.~~

~~Section 6.5~~ — *Prohibited Acts.* ~~As long as the Agency is in existence, and except with the prior approval of the Board of Directors, no Director, officer, or committee member of the Agency shall:~~

- ~~(1) do any act in violation of these Bylaws or a binding obligation of the Agency;~~
- ~~(2) do any act with the intention of harming the Agency or any of its operations;~~
- ~~(3) do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Agency;~~
- ~~(4) receive an improper personal benefit from the operation of the Agency;~~
- ~~(5) use the assets of the Agency, directly or indirectly, for any purpose other than carrying on the business of the Agency;~~

- ~~(6) wrongfully transfer or dispose of Agency property, including intangible property such as good will;~~
- ~~(7) use the name of the Agency (or any substantially similar name) or any trademark or trade name adopted by the Agency, except on behalf of the Agency in the ordinary course of the Agency's business; or~~
- ~~(8) except as required by law, disclose any of the Agency business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.~~

~~Section 6.6~~Section 5.4 *Issuance of Bonds.* ~~The Authority may issue bonds, notes and other obligations as provided in the Enabling Act or under other applicable law. The issuance of bonds, notes or other obligations by the Agency Authority under the Act must be approved by a super-majority of the Board~~ two-thirds of all of the Directors in accordance with Section ~~3.4.D4.6D.2.~~

~~ARTICLE VI~~ARTICLE 6
~~ARTICLE VI~~ADOPTION AND ENFORCEMENT OF RULES

Section 6.1 Matters Addressed in Rules. ~~The Board may adopt and enforce rules as the Board deems them necessary to implement the Enabling Act, including without limitation the following:~~

- A. Rules governing procedures before the Board;
- B. Rules the Enabling Act requires the Board to adopt;
- C. Rules to preserve the sanitary condition of all water controlled by the Authority;
- D. Rules to prevent waste or the unauthorized use of water;
- E. Rules to require adoption and implementation of water conservation plans and drought contingency plans for the Authority or any portion of the Authority; and
- F. Rules regarding implementation, enforcement, and any other matters related to the exercise of the rights, powers, privileges, and functions conferred on the Authority by the Enabling Act for the provision of water and wastewater service.

Section 6.2 Notice and Public Hearing on Certain Rules. ~~Prior to adopting or revising a rule that directly affects one or more Sponsors or Customers, the Authority will provide ten days' written notice of the meeting at which the rule will be considered to each Sponsor and Customer, and the Board will hold a public hearing on the proposed rule at that meeting. The notice will include the text and an explanation of the proposed rule, and a statement that written comments on the rule can be submitted before or at the meeting and verbal comments can be made during the public hearing at the meeting.~~

Section 6.3 Emergency Rules.

A. The Board may adopt an emergency rule in circumstances in which immediate action is needed in response to an imminent threat to public health and safety, or to a reasonably unforeseeable situation.

B. Prior to adopting an emergency rule that directly affects one or more Sponsors or Customers, the Authority will provide at least two hours' written notice of the meeting at which the rule will be considered to each Director and to the public, and the Board will hold a public hearing on the proposed rule at that meeting. The notice will include the text and an explanation of the proposed rule, and a statement that written comments on the rule can be submitted before or at the meeting and verbal comments can be made during the public hearing at the meeting.

C. An emergency rule is effective immediately upon adoption by the Board. An emergency rule will be effective for a period not to exceed 120 days, and may be renewed by the Board once for not more than 60 days.

Section 6.4 Notice and Public Hearing on Other Rules. This section applies to all rules other than those covered under Section 6.2 or Section 6.3 above. Prior to adopting or revising a rule, the Authority will provide 72 hours' written notice of the meeting at which the rule will be considered to each Sponsor and Customer, and the Board will hold a public hearing on the proposed rule at that meeting. The notice will include the text and an explanation of the proposed rule, and a statement that written comments on the rule can be submitted before or at the meeting and verbal comments can be made during the public hearing at the meeting.

Section 6.5 Notice of Rules. The Authority will provide written notice of the adoption of rules to each Sponsor and Customer. The notice will include the full text and the effective date of the rule.

Section 6.6 Enforcement of Rules. The Authority may enforce its rules against any person by any or all of the following:

- A. Suit for injunction or mandatory injunction in a court of competent jurisdiction.
- B. Suit for damages or other appropriate remedy in a court of competent jurisdiction.
- C. Exercising any right of the Authority in a contract between the Authority and a Sponsor or Customer, including, without limitation, withholding or suspending the provision of water or wastewater services to a Sponsor or Customer.

~~ARTICLE VI~~ARTICLE 7 BOOKS AND RECORDS

~~Section 9.1~~Section 7.1 Required Books and Records. The ~~Agency~~Authority shall keep correct and complete books and records of account. The ~~Agency~~Authority's books and records shall include the following:

- ~~(1)~~A. ~~a~~a copy of these Bylaws, ~~and including~~ any ~~amended versions or~~ amendments to these Bylaws;
- ~~(2)~~B. ~~m~~Minutes of the proceedingsmeetings of the Board ~~of Directors~~and committees having any of the authority of the Board ~~of Directors~~;

(3)C. aA list of the names and addresses of the Directors, officers, and any committee members of the Agency Authority; and

(4)D. aAll rulings, letters, and other documents relating to the Agency Authority's federal, state, and local tax status.

~~Section 9.2~~Section 7.2 *Inspection and Copying*. The Agency Authority's books and records shall be subject to applicable provisions of the ~~State~~ Public Information Act, ~~Chapter 552, as amended, Texas Government Code (the "Public Information Act")~~. The Board ~~of Directors~~ may establish policies and reasonable fees for providing access to and copying of the Agency Authority's books and records in accordance with the Public Information Act.

ARTICLE 8 ADDING AND REMOVING SPONSORS

Section 8.1 Method of Adding Sponsors.

A. The governing body of a local government or a private entity, including a water supply corporation, may petition the Board to add that local government or private entity as a Sponsor.

B. A petition under Subsection A must be submitted in writing to the Executive Director on the form approved by Board rule.

C. On receipt of a petition under Subsection A, the Board shall set a hearing on the petition and provide notice of the date, time, place, and purpose of the hearing to the Sponsors, and to the petitioning local government or private entity.

D. At the hearing, the Board shall determine whether the local government or private entity will benefit from being added to the Authority as a Sponsor, and whether it is in the best interest of the Authority to add the local government or private entity to the Authority as a Sponsor.

E. If, after a hearing on the petition, the Board determines that the local government or private entity should be added to the Authority as a Sponsor, the Board shall issue an order:

1. adding the local government or private entity to the Authority
2. adding the local government's or private entity's territory or service area to the territory of the Authority;
3. making the local government's or private entity's territory or service area subject to the privileges, duties, assets, and financial obligations of the Authority to the same degree as other Sponsors already included in the Authority; and
4. stating the proposed effective date of the order.

The Board's determination and the issuance of an order under this subsection must be approved by at least two-thirds of all of the Directors to be effective.

F. An order issued under Subsection E takes effect on the proposed effective date

except as otherwise provided by this section. If the subject of the order is a local government, the proposed effective date must allow enough time for the local government to comply with Subsections G and H.

G. A local government that is the subject of an order issued under Subsection E shall publish notice of the Authority's proposal to add the local government to the Authority as a Sponsor. The notice must:

1. be published in a newspaper of general circulation in the county in which the local government is located;
2. be published at least once per week for two consecutive weeks and with the first publication appearing on or before the 14th day before the proposed effective date of the order;
3. state the proposed effective date of the order adding the local government to the Authority as a Sponsor; and
4. include information regarding the right of the local government's voters to petition the governing body of the local government to call an election on the question of authorizing the addition of the local government to the Authority as a Sponsor and the method of making the petition.

H. If the governing body of the local government, before the proposed effective date of the order, receives a petition calling for an election on the question of authorizing the addition of the local government to the Authority as a Sponsor that is signed by at least 10 percent of the local government's registered voters, the governing body shall order a special election on the question. Section 41.001(a), Election Code, does not apply to an election ordered under this subsection.

I. On receipt of a qualifying petition under Subsection H, the effective date of the order issued under Subsection E is suspended until after the date of the election and the governing body of the local government shall notify the Board of the petition and suspension.

J. If a majority of voters voting in an election held under this section vote in favor of the addition of the local government to the Authority as a Sponsor, the order issued under Subsection E takes effect on the date the result is declared. If a majority of voters voting in the election vote against the addition of the local government to the Authority as a Sponsor, the order issued under Subsection E is ineffective.

Section 8.2 Method of Removing Sponsors.

A. The governing body of a local government or private entity that is a Sponsor of the Authority may petition the Board to be removed from the Authority as a Sponsor.

B. A petition under Subsection A must be submitted in the manner and form required by Board rule.

C. After receiving a petition under Subsection A, the Board shall decide whether the petitioning Sponsor should be removed from the Authority as a Sponsor and shall by order

approve, conditionally approve, or disapprove the petition. An order approving or conditionally approving the removal of a Sponsor requires the concurrence of at least two-thirds of all of the Directors.

D. The Board may not approve a petition submitted to the Board under this section if that action would impair or violate or conflict with the terms of any outstanding bonds, notes, or other obligations of the Authority.

E. An order issued under Subsection C that approves or conditionally approves a Sponsor's petition to be removed from the Authority as a Sponsor must address:

1. all matters related to the removal as determined by the Board, including the removal of the territory of the Sponsor and territory located in the service area of the Sponsor as provided by the Sponsor's certificate of convenience and necessity; and

2. if applicable, any conditions imposed by the Board that the petitioning Sponsor must satisfy before the Board approves the petition, which may include:

a. payment by the petitioning Sponsor of all bonds, notes, or other obligations issued by the Authority on behalf of the Sponsor;

b. payment by the petitioning Sponsor of the Sponsor's pro rata share of any bond, note, or other obligation issued by the Authority, other than the bonds, notes, or other obligations described by Paragraph a, if the payment is allowed under the terms of the bond, note, or other obligation;

c. conditions related to the ownership or transfer of ownership of real property, facilities, equipment, personnel, and supplies; and

d. conditions the Authority considers necessary for the winding up of activities in connection with the removal of the petitioning Sponsor as a Sponsor from the Authority.

F. If the Board by order conditionally approves a Sponsor's petition under Subsection C, the petitioning Sponsor remains a Sponsor and shall make all payments owed to the Authority when due and shall satisfy all conditions included in the order. The Board shall approve the petition immediately after all required payments to the Authority are received and all conditions included in the order are satisfied as determined by the Board

G. The removal of a local government or private entity from the Authority as a Sponsor under this section does not prohibit the local government or private entity from contracting with the Authority for the provision of water supply, wastewater treatment, or other services provided by the Authority.

ARTICLE VIII DISSOLUTION

In the event of dissolution of the Agency, any interest in any funds or property of any kind, real, personal or mixed, held by the Agency, shall not be transferred to private ownership, but upon such dissolution, the Board shall, after paying or making provision for payment of the Agency's pecuniary obligations and liabilities, distribute ownership of the Agency's remaining assets to each

~~Sponsor proportionally in accordance with the percentage of the water of the Agency that each Sponsor has contracted to take in the fiscal year immediately preceding the date of dissolution.~~

~~ARTICLE IX~~ARTICLE 9
NOTICES

~~Section 9.1 Delivery of Notice to a Director, Officer or Committee Member. A Subject to Section 4.12, any notice required or permitted by these Bylaws to be given to a Director, officer, or member of a committee of the Agency Authority may be given in person or by facsimile, mail, or electronic mail. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Agency, with postage prepaid. If transmitted by facsimile or electronic mail, notice is deemed to be delivered on successful transmission of the facsimile or electronic mail. A person may change his or her contact information by giving written notice to the Secretary.~~

~~Section 9.2 Notice to a Sponsor or Customer. Any notice required or permitted by these Bylaws to be given to a Sponsor or a Customer shall be given to the presiding officer of the Sponsor's or Customer's governing body and to the Sponsor's or Customer's chief executive officer. A notice may be given in person or by facsimile, mail, or electronic mail.~~

~~Section 11.1Section 9.3 Delivery of Notices. If a notice is mailed, it shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Authority, with postage prepaid. If transmitted by facsimile or electronic mail, a notice is deemed to be delivered on successful transmission of the facsimile or electronic mail of the Agency.~~

~~Section 11.2Section 9.4 Signed Waiver of Notice. Whenever any notice is required to be given under the provisions of these Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.~~

~~Section 11.3Section 9.5 Waiver of Notice by Attendance. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.~~

~~ARTICLE X~~ARTICLE 10
MISCELLANEOUS PROVISIONS

~~Section 12.1Section 10.1 Fiscal Year. The fiscal year of the Agency Authority shall begin October 1 of each year.~~

~~Section 12.2Section 10.2 Seal. The seal of the Agency Authority shall be such as from time to time may be approved by the Board by resolution.~~

~~Section 12.3Section 10.3 Resignations. Any Director, or officer or Advisory Director may resign at any time. Such A resignations shall be made in writing and shall take effect at the date and time specified therein, or, if no date and time be specified, at the time of its receipt by the~~

Chair~~person~~ or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

~~Section 12.4~~Section 10.4 Gender. References herein to the ~~maseuline~~one gender shall also refer to the ~~feminine~~other gender in all appropriate cases and vice versa.

~~Section 12.5~~Section 10.5 Appropriations and Grants. ~~The Agency shall have the power to request and accept any appropriation, grant, contribution, donation, or other form of aid from the federal government, the State, any political subdivision, or municipality in the State, or from any other source.~~

~~Section 12.6~~Section 10.5 Legal Authorities Governing Construction of Bylaws. These Bylaws shall be construed in accordance with the laws of the State of Texas, including the Enabling Act, the Open Meetings Act, and the Public Information Act. All references in these Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

~~Section 12.7~~Section 10.6 Legal ConstructionSeverability. If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision, and these Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.

~~Section 12.8~~Section 10.7 Headings. The headings used in these Bylaws are used for convenience and shall not be considered in construing ~~the terms of~~ these Bylaws.

~~Section 12.9~~Section 10.8 Power of Attorney. A person may execute any instrument related to the Agency Authority by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Agency Authority to be kept with the Agency Authority records.

~~Section 12.10~~Section 10.9 Parties Bound. These Bylaws shall be binding upon and inure to the benefit of the Directors, officers, committee members, employees, and agents of the Agency Authority and their respective heirs, executors, administrators, legal representatives, successors, and assigns, except as otherwise provided in these Bylaws.

~~Section 12.11~~Section 10.10 Approval or Advice and Consent of the Governing Body. To the extent that these Bylaws refer to approval by ~~the a~~ Sponsors or refer to advice and consent by ~~the a~~ Sponsors, such approval or advice and consent shall be evidenced by a certified copy of a resolution, order, motion, or other official action duly adopted by each of of the governing body of the Sponsors.

~~Section 12.12~~Section 10.11 Organization Control. ~~The Sponsors may, at their sole discretion, at any time, alter the nature, organization, programs or activities of the Agency (including the power to terminate the Agency), subject to any limitation on the impairment of contracts entered into by the Agency.~~

~~ARTICLE XI~~ARTICLE 11

INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

~~Section 13.1~~Section 11.1 *Right to Indemnification.*

A. *Definitions.* In this Article:

1. *Covered person* includes current and former Directors, ~~ex-officio directors~~, committee members, and employees of the Agency Authority, and the estate of a current or former Director, ~~ex-officio director~~, committee member or employee of the Agency Authority.
2. *Loss* means a sum of money which a covered person is legally obligated to pay.
3. *Proceeding* means any threatened, pending or completed claim, action, suit or civil, criminal, administrative, arbitative or investigative proceeding.

B. *Coverage generally.* To the fullest extent permitted by law, the Agency Authority shall indemnify and defend a covered person in accordance with this section from and against a loss arising in connection with a proceeding relating to an act or omission of the covered person during the course and scope of the covered person's office or employment for the Agency Authority.

C. *Additional coverage.* In addition to the coverage described in subsection B of this section, the Agency Authority will pay the following:

1. The Agency Authority's expenses in investigating and defending the proceeding;
2. Court costs assessed against a covered person;
3. Reasonable expenses of the covered person incurred at the Agency Authority's request or with the Agency Authority's approval; and
4. Attorney's fees ordered by a court to be paid by the covered person.

D. *Criteria for coverage.* To be entitled to coverage under this section, a covered person must:

1. Notify the ~~Agency's General Manager~~Executive Director or Authority legal counsel in writing as soon as practicable, but not later than three working days, after receipt of written notice of a proceeding;
2. Cooperate with the Agency Authority in the conduct of the proceeding, negotiation of settlements, and enforcement of any rights of the Agency Authority or the covered person against any claimant;
3. Attend depositions, hearings and trials, and assist in securing evidence and obtaining the attendance of witnesses;
4. Not, except with the consent of the ~~Agency's General Manager~~Executive Director or Authority legal counsel, enter into any agreement or stipulation concerning a proceeding;

5. Not, except with the consent of the ~~Agency's General Manager~~Executive Director or Authority legal counsel, or upon request of a public officer at the scene of an accident, give any oral or written statement concerning the accident; and

6. Not, except at the covered person's own cost, voluntarily make any payment, assume any obligation or incur any expense in connection with a proceeding without the consent of the ~~Agency's General Manager~~Executive Director or Authority legal counsel.

E. *Exemptions.* Coverage under this section will not apply to a claim or suit brought against a covered person:

1. By the ~~Agency~~Authority;

2. Arising from the intentional or knowing violation of a penal statute or law committed by or with the knowledge and consent of the covered person, or arising from a fraudulent act committed by or at the direction of the covered person;

3. If the covered person joins or attempts to join a proceeding against the ~~Agency~~Authority or an officer or employee of the ~~Agency~~Authority with a proceeding against the covered person; or

4. If the covered person fails to comply with subsection ~~(D)~~ of this section.

F. *Investigation, negotiation, settlement.* The ~~Agency~~Authority may investigate, retain counsel, negotiate and settle any proceeding as it determines to be reasonable and prudent.

G. *Subrogation of rights.* A covered person, in accepting coverage under this section, agrees to allow the ~~Agency~~Authority to be subrogated to any rights of the covered person to the extent of the ~~Agency~~Authority's obligations and payments under this section.

H. *Conflict of interest.* If the ~~Agency's General Manager~~Executive Director or Authority legal counsel determines there is a conflict between the interests of the ~~Agency~~Authority and those of a covered person involved in a proceeding, the ~~Agency~~Authority may designate and pay the reasonable fees of a separate attorney to represent the covered person.

I. *Disciplinary action.* Nothing in this section will affect the ~~Agency~~Authority's right to take disciplinary action against a covered person for conduct otherwise indemnified or defended by the ~~Agency~~Authority under this section.

~~Section 13.2~~Section 11.2 *Non-exclusivity of Rights.* The right to indemnification conferred in this Article XI shall not be exclusive of any other right which a covered person may have or hereafter acquire under any law (common or statutory), these Bylaws, written agreement with the ~~Agency~~Authority, vote of disinterested Directors or otherwise.

~~Section 13.3~~Section 11.3 *Insurance.* The ~~Agency~~Authority may purchase and maintain insurance, at its expense, to protect itself and any covered person against any expense, liability or loss, whether or not the ~~Agency~~Authority would have the power to indemnify such person against such expense, liability or loss under this Article ~~XI~~.

~~Section 13.4~~Section 11.4 *Notification.* ~~Any~~The Executive Director will report any indemnification of a covered person ~~in accordance with~~under this Article ~~XI~~ shall be reported in writing to the members of the Board with or before the notice of the next regular meeting of the Board and, in any case, within the 12 month period immediately following the date of the indemnification.

~~Section 13.5~~Section 11.5 *Savings Clause.* If this Article ~~XI~~ or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the ~~Agency~~Authority shall nevertheless indemnify and hold harmless each covered person with respect to a proceeding to the extent permitted by any applicable portion of this Article ~~XI~~ that shall not have been invalidated and to the fullest extent permitted by applicable law.

~~ARTICLE XI~~ARTICLE 12
CODE OF ETHICS

~~Section 14.1~~Section 12.1 *Policy and Purposes.*

A. This Code of Ethics is adopted as part of the Authority's Bylaws for the following purposes: 1) to establish policies to promote and maintain public confidence in the Authority; 2) to establish high ethical standards for official conduct by Directors and officers; and 3) to encourage compliance with the standards of conduct.~~It is the policy of the Agency that Directors and officers conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting corporate business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the Agency; and that the Board establish policies to control and manage the affairs of the Agency fairly, impartially, and without discrimination.~~

B. It is the policy of the Authority that Directors and officers 1) conduct themselves in a manner consistent with sound business and ethical practices; 2) consider the public interest foremost in conducting Authority business; and 3) avoid both impropriety and the appearance of impropriety with respect to Authority business in their official and personal affairs.~~This Code of Ethics has been adopted as part of the Agency's Bylaws for the following purposes: (a) to encourage high ethical standards in official conduct by Directors and corporate officers; and (b) to establish guidelines for such ethical standards of conduct.~~

Section 12.2 Compliance with Ethics Policies. ~~It is the Authority's policy that Directors and officers shall comply with all of the following:~~

A. Conduct themselves in a manner consistent with sound business and ethical practices;

B. Consider the public interest foremost in conducting Authority business; and

C. Avoid impropriety and the appearance of impropriety with respect to Authority business in their public and personal affairs.

Section 12.3 Prohibited Acts. ~~Except with the prior approval of the Board, no Director, officer, or committee member of the Authority shall do any of the following:~~

A. Any act in violation of these Bylaws or a binding obligation of the Authority;

- B. Any act with the intention of harming the Authority or any of its operations;
- C. Any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Authority;
- D. Receive an improper personal benefit from the operation of the Authority;
- E. Use the assets of the Authority, directly or indirectly, for any purpose other than carrying on the business of the Authority;
- F. Wrongfully transfer or dispose of Authority property, including intangible property such as good will;
- G. Use the name of the Authority (or any substantially similar name) or any trademark or trade name adopted by the Authority, except on behalf of the Authority in the ordinary course of the Authority's business; or
- H. Except as required by law, disclose any Authority business practices, trade secrets, or any other information not generally available to the public to any person not authorized to receive it.

Section 12.4 Unlawful Acts Compliance with Ethics-Related Laws. A-Directors and-or officers shall not intentionally or knowingly offer, confer or agree to confer on another, or solicit, accept, or agree to accept from another comply with all of the following:

- A. Chapter 171, Texas Local Government Code, relating to conflicts of interests with a business entity or real property in which an official has a substantial interest;
- B. Chapter 176, Texas Local Government Code, relating to the filing by an officer of a conflicts disclosure statement with respect to a vendor with which the officer has a business relationship.
- C. Chapter 573, Texas Government Code, prohibiting participation by a Director or officer in personnel actions involving a person related to the Director or officer.
- D. Article III, Section 52, of the Texas Constitution, relating to the prohibition on granting public money or things of value to any individual, association or corporation.

Section 14.2E. Chapter 36, Texas Penal Code, relating to the solicitation or acceptance of an improper benefit in connection with an exercise of discretion by a public servant.

- ~~(1)any benefit as consideration for the Director's or officer's decision, opinion, recommendation, vote, or other exercise of discretion as a Director or officer;~~
- ~~(2)any benefit as consideration for the Director's or officer's decision, vote, recommendation, or other exercise of official discretion in a judicial or administrative proceeding; or~~
- ~~(3)any benefit as consideration for a violation of a duty imposed by law on the Director or officer.~~

~~Section 14.3—Nepotism. No Director or officer shall appoint, or vote for, or confirm the appointment to any office, position, clerkship, employment or duty, of any person related within the second degree by affinity (marriage relationship) or within the third degree of consanguinity (blood relationship) to the Director or officer so appointing, voting or confirming, or to any other Director or officer. This provision shall not prevent the appointment, voting for, or confirmation of any person who shall have been continuously employed in any such office, position, clerkship, employment or duty at least thirty (30) days prior to the appointment of the Director or officer so appointing or voting.~~

~~ARTICLE XIII~~ARTICLE 13
AMENDMENTS

~~To be effective, a~~A proposal to alter, amend, or repeal these Bylaws ~~shall be made~~must be approved by the affirmative vote of a majority of all of the ~~full Board then appointed and serving~~Directors at any ~~annual or~~ regular meeting, or at any special meeting if notice of the ~~proposed~~aled amendment be is contained in the notice of the special meeting. ~~However, any proposed change or amendment to the Bylaws must be approved by the governing bodies of all of the Sponsors in order to be effective.~~

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Board of Directors of the ~~Hays Caldwell Public Utility Agency~~ Alliance Regional Water Authority and that the foregoing Bylaws constitute the Bylaws of the ~~Agency~~ Authority. These Bylaws were approved ~~by the Sponsors by Resolutions dated _____, 2007,~~ and ~~were~~ duly adopted at a meeting of the Board of Directors held on ~~January __, 2007 _____, 2017~~ 8.

DATED: ~~January __, 2007 _____, 2017~~ 8.

~~HAYS CALDWELL PUBLIC UTILITY~~
AGENCY ALLIANCE REGIONAL WATER AUTHORITY

Secretary, Board of Directors

BYLAWS

OF THE

ALLIANCE REGIONAL WATER AUTHORITY

(Created by the Legislature of the State of Texas as a regional water authority in Bexar, Caldwell, Comal, Guadalupe, and Hays Counties, under and essential to accomplish the purposes of Article XVI, Section 59 of the Texas Constitution)

Date of Adoption: _____, 2018

**BYLAWS
OF
ALLIANCE REGIONAL WATER AUTHORITY**

**ARTICLE 1
DEFINITIONS AND GENERAL PROVISIONS**

Section 1.1. Definitions. Unless the context clearly indicates a different meaning, the terms below shall have the following meanings in these Bylaws:

- A. “Authority” means the Alliance Regional Water Authority.
- B. “Board” means the board of directors of the Authority.
- C. “Customer” means a local government or private entity that is not a Sponsor and which has a contract with the Authority for water or wastewater services.
- D. “Director” means a member of the Board.
- E. “District” means any district, authority or other entity created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, regardless of the manner of creation.
- F. “Enabling Act” means the Authority’s enabling legislation (Act of May 28, 2017, 85th Leg., R.S., ch. 806) and codified in Chapter 11010 of the Texas Special District Local Laws Code.
- G. “Executive Director” means the person appointed by the Board as the chief executive officer of the Authority.
- H. “Local government” means:
 - 1. a municipality, county, district, or other political subdivision of this state;
 - 2. a local government corporation;
 - 3. a nonprofit corporation created to act on behalf of a local government; or
 - 4. a combination of two or more of the entities described by this subsection.
- I. “Open Meetings Act” means the State Open Meetings Act, Chapter 551, Texas Government Code, as amended.
- J. “Private entity” includes an individual, corporation, organization, business trust, estate, trust, partnership, and association and any other legal entity that is not a local government or a governmental body or agency.
- K. “Public Information Act” means the State Public Information Act, Chapter 552, Texas Government Code, as amended.
- L. “Sponsor” means:
 - 1. the City of Kyle;
 - 2. the City of San Marcos;
 - 3. the City of Buda;
 - 4. the Canyon Regional Water Authority; and
 - 5. any other local government or private entity added to the Authority as a Sponsor

under Section 11010.005 of the Enabling Act.

M. "State" means the State of Texas.

N. "Water" includes:

1. groundwater, percolating or otherwise, notwithstanding the quality of the groundwater;
2. any surface water, naturally or artificially impounded or in a navigable or nonnavigable watercourse; and
3. municipal wastewater or industrial wastewater, including municipal wastewater or industrial wastewater that has been treated to a quality suitable for reuse for a beneficial use.

Section 1.2. Authority Territory. The Authority is composed of the territory:

A. of the Sponsors, including territory within the municipal boundaries of a Sponsor that is a municipality;

B. located in the service areas of the Sponsors as provided by the Sponsors' respective certificates of convenience and necessity; and

C. added to and not excluded from the Authority in accordance with applicable law.

Section 1.3. Business Office. The business office and mailing address of the Authority is 630 East Hopkins Street, San Marcos, TX 78666. The Authority may have such other offices as the Board may determine. The Board may change the location of any office of the Authority.

ARTICLE 2 PURPOSES AND POWERS

Section 2.1. Purposes. The Authority is created to serve a public use and benefit, and to benefit land and property included in the territory of the Authority through the works and projects to be accomplished by the Authority under powers conferred by Article XVI, Section 59 of the Texas Constitution, and powers granted under the Enabling Act.

Section 2.2. Powers and Duties. The Authority is a regional water authority and is authorized to exercise all powers conferred on conservation and reclamation districts under Article XVI, Section 59 of the Texas Constitution, and all powers conferred on the Authority by the Enabling Act, including without limitation, the following:

A. The general powers and duties as described in Section 11010.101 of the Enabling Act, including without limitation, ownership of water and wastewater facilities, ownership of interests in sources of water supply, and financing through bonds, notes, and other obligations;

B. The authority to adopt and enforce policies, rules and bylaws as described in Section 11010.102 of the Enabling Act;

C. The power of eminent domain as described in Section 11010.103 of the Enabling Act;

D. The authority to adopt and enforce water conservation or drought contingency plans as described in Section 11010.104 of the Enabling Act;

E. The authority to acquire utility facilities from a Sponsor as described in Section 11010.105 of the Enabling Act;

F. The authority to enter into contracts as described in Sections 11010.106 and 11010.107 of the Enabling Act;

G. The authority to set rates and fees as described in Section 11010.108;

H. The authority to accept gifts and grants as described in Section 11010.152 of the Enabling Act; and

I. The authority to issue bonds, notes or other obligations as described in Sections 11010.201 through 11010.205 of the Enabling Act and under other applicable law.

ARTICLE 3

BOARD OF DIRECTORS; COMMITTEES; MEETINGS; EXECUTIVE DIRECTOR

Section 3.1. Role of the Board; Appointment, Powers, Number, and Term of Office of Directors.

A. The Authority is governed by the Board. The Board is responsible for the management, operation, and control of the Authority.

B. The number of Directors is set at thirteen. The Directors are apportioned among the Sponsors based on the amount of water contracted to be supplied to the Sponsors under the terms of the Authority's Regional Water Supply Contract (subject to a minimum of one Director for each Sponsor), as follows: The City of San Marcos, Texas appoints five Directors, Canyon Regional Water Authority appoints four Directors, the City of Kyle, Texas appoints three Directors, and the City of Buda, Texas appoints one Director.

C. Unless replaced by a Sponsor, directors of the Hays Caldwell Public Utility Agency serving on the effective date of the Enabling Act shall serve as the temporary Directors of the Authority until the initial Directors appointed under subsection F. below take office on May 1, 2018.

D. Action by a Sponsor to appoint or remove a Director shall be in the form of a minute entry, ordinance or resolution approved by the Sponsor's governing body.

E. To be eligible to serve as a Director, a person must be at least 18 years of age, and must be either a resident of the territory located in the Authority, or an employee of a Sponsor. A Director who also serves on the governing body of a Sponsor is not a dual officeholder and is not prohibited by the common law doctrine of incompatibility from serving on both the Board and the governing body. Service on the Board by a public officeholder is an additional duty of that person's office.

F. The Sponsors shall appoint the initial Directors not earlier than April 1, 2018, and not later than April 30, 2018. As soon as practicable after the initial Directors have been appointed,

the initial Directors shall draw lots to determine which Directors serve a one-year term expiring April 30, 2019, which Directors serve a two-year term expiring April 30, 2020, and which Directors serve a three-year term expiring April 30, 2021. The lots must be split into thirds or as near to thirds as possible. Thereafter, the Directors shall serve staggered three-year terms, and the Sponsors shall appoint Directors not earlier than April 1 and not later than April 30 of the year in which the respective terms of the Directors expire. A Director's term begins on May 1 of the year the Director is appointed. A Director may not serve more than five full consecutive terms as a Director.

G. A Sponsor that appoints a Director may remove the Director from office at any time, with or without cause.

H. If there is a vacancy on the Board, the governing body of the Sponsor that appointed the Director who vacated the office shall appoint a Director to serve the remainder of the term.

I. After the addition or removal of a Sponsor under Subchapter A of the Enabling Act, the Board by rule shall reapportion the Directors among the Sponsors based on the amount of water contracted to be supplied to each Sponsor under the terms of the Authority's water supply contracts with the Sponsors, subject to a minimum of one Director for each Sponsor.

J. In connection with a change to the amount of water contracted to be supplied by the Authority to the Sponsors under the terms of the Authority's water supply contracts with the Sponsors, the Board shall determine whether a change in the number of Directors or in the apportionment of Directors among the Sponsors is appropriate. If the Board determines such a change is appropriate, the Board by rule shall proceed to make the change.

K. The Board by rule may increase or decrease the number of Directors on the Board, subject to a minimum of seven Directors and a maximum of 17 Directors, and subject to the requirement that each Sponsor is entitled to appoint at least one director.

L. Before the Board reapportions the Directors among the Sponsors for any reason, or increases or decreases the number of Directors on the Board for any reason, the Board will ask the Executive Director for a recommendation on the proposed change.

Section 3.2. Regular Meetings of Board. The Board will hold its regular meetings at such place or places as the Board determines by resolution.

Section 3.3. Special and Emergency Board Meetings.

A. Special and emergency meetings of the Board shall be held whenever called by the Chair or the Secretary, or at the written request of three Directors.

B. The Authority shall give notice of each special meeting to each Director in person or by facsimile, mail, or electronic mail.

C. The Authority shall give notice of each emergency meeting to each Director in person or by facsimile, mail, or electronic mail. The notice on its face shall describe the emergency that gave rise to the need for the meeting.

D. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Authority may be considered and acted upon at a special or emergency meeting.

Section 3.4. Quorum; Required Vote.

A. A majority of all of the Directors shall constitute a quorum of the Board. The Board may not conduct business unless a quorum of the Board is present, either in person or by telephone conference call or videoconference to the extent permitted under the Open Meetings Act. If at any meeting of the Board there is less than a quorum present, a majority of those present may continue the meeting to a time not later than the day immediately following the date for which notice of the meeting was given.

B. The concurrence of a majority of the Directors present and voting at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the concurrence of a greater number is required by law, or by rules adopted by the Board, which shall be incorporated in these Bylaws.

C. In accordance with Section 4.3.C of the Rules of the Authority, the concurrence of a majority of all of the Directors (by voting in favor of a matter at a Board meeting at which a quorum of the Board is in attendance) shall be required for any of the following actions:

1. The award of a construction contract in an amount greater than \$100,000.
2. Approving a contract for the supply of water by the Authority.
3. An amendment to these Bylaws.
4. Creation of a committee.
5. Election or removal of an officer of the Board.
6. Adoption of an emergency rule.
7. A change in the apportionment of Directors among the Sponsors.
8. Any waiver of confidentiality or privilege related to any attorney-client communication between any legal counsel of the Authority and the Board, any committee, or any officer, Director, committee member, employee or agent of the Authority.

D. In accordance with Section 4.3.D of the Rules of the Authority, the concurrence of at least two-thirds of all of the Directors shall be required for any of the following actions:

1. Authorizing the issuance of bonds or the approval of a promissory note or other instrument creating debt.
2. Appointing or terminating an Executive Director.
3. Issuing an order adding or removing a Sponsor from the Authority.

E. A Director who is present at a meeting of the Board at which any Authority action is taken shall be presumed to have assented to such action unless his or her dissent or abstention is entered in the minutes of the meeting, or unless the Director files his or her written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof. Such right to dissent or abstain shall not apply to a Director who voted in favor of the action.

Section 3.5. Open Meetings Act. All meetings of the Board shall be subject to applicable provisions of the Open Meetings Act.

Section 3.6. Board Meeting Agendas; Conduct of Business.

A. Agendas for Board meetings will be prepared by the Executive Director, in consultation with the Chair as needed. The Executive Director or Chair may include an item on an agenda upon written request by one or more Directors. The agenda for each regular meeting shall include an item under which the public may offer comments on matters related to Authority business.

B. At meetings of the Board, matters shall be considered in the order the Board determines is appropriate.

C. At meetings of the Board, the Chair shall preside, and in the absence of the Chair, the Vice Chair shall preside. In the absence of the Chair and the Vice Chair, the Board shall choose an acting chair for that meeting from among the Directors present.

D. Each Director is entitled to one vote on any issue before the Board.

Section 3.7. Technical Committee. The Board may, by resolution, create a technical committee consisting of three or more Directors **as voting members, and one or more persons who are not Directors as non-voting members**. To the extent provided in the authorizing resolution, the committee may exercise powers delegated by the Board in the management of the Authority. Any such delegated powers shall not extend, however, to matters for which action of the Board is required by statute or in these Bylaws. The committee shall address the matters and act in the manner provided in the authorizing resolution. The committee shall keep minutes of its meetings and shall cause the minutes to be maintained in the office of the Authority, and shall report on its activities to the Board from time to time. The Authority shall give notice of any meeting of the committee in the manner required for a meeting of the Board under the Open Meetings Act and these Bylaws.

Section 3.8. Advisory Committee. The Board may, by resolution, establish an Advisory Committee composed of persons who are not Directors and who are, in the judgment of the Board, qualified to advise with respect to activities of the Authority. Members of the Advisory Committee shall serve for a term of one year or for a longer term fixed by the Board, not to exceed four years. Advisory Committee members shall be appointed by the Board, and may be removed by the Board at any time with or without cause. The number of members of the Advisory Committee and the topics to be addressed by the committee shall be fixed by the Board by resolution. The officers and Directors of the Authority may consult with the Advisory Committee from time to time with respect to the activities of the Authority, but the Advisory Committee shall in no way restrict the powers of the Board nor limit its responsibilities or obligations. The Advisory Committee shall have no responsibility for the management of the affairs of the Authority.

Section 3.9. Other Committees.

A. *Standing Committees.* The Board may, by resolution, create a standing committee to address one or more topics of an ongoing nature in the management of the Authority. The resolution shall specify the number of committee members, and it may include a delegation of authority to the committee in matters for which action of the Board is not required by statute or in these Bylaws. A committee shall consist of Directors as voting members, and it may include persons who are not Directors as non-voting members. Committee members shall be appointed by the Board, and may be removed by the Board at any time with or without cause. The committee shall address the topics and act in the manner provided in the resolution. The committee shall keep minutes of its meetings, which shall be maintained in the office of the Authority, and shall report on its activities to the Board from time to time. If the committee is authorized to take action on behalf of the Authority, the Authority shall give notice of the committee's meetings in accordance with the Open Meetings Act.

B. *Temporary Committees.* The Board may, by resolution or by motion and vote, designate three or more Directors, as voting members, and one or more persons who are not Directors as non-voting members, to constitute a temporary committee to address one or more topics. A temporary committee will function only in an advisory role to the Board. The Board may limit the duration of a temporary committee, and may remove or add members. A temporary committee will report on its activities to the Board, but it is not required to keep minutes of its meetings. Because of its purely advisory role, notice of a temporary committee's meetings under the Open Meetings Act is not required.

Section 3.10. Executive Director. The Board shall appoint an Executive Director and designate the duties and responsibilities of the Executive Director pursuant to a resolution. The resolution may approve an employment agreement in which the duties and responsibilities are designated. The concurrence of at least two-thirds of all of the Directors shall be required to appoint or terminate an Executive Director.

ARTICLE 4
BOARD OFFICERS

Section 4.1. Titles and Term of Office.

A. The officers of the Board shall be a Chair, one or more Vice Chairs, a Secretary, a Treasurer, and such other officers as the Board may from time to time elect or appoint. One person may not hold more than one office, except that a person may serve as both Secretary and Treasurer.

B. At the first meeting of the Board after May 1st of each year, the Board shall elect officers from among the Directors. The term of office for each officer shall be one year unless the officer is replaced by the Board or is no longer a Director for any reason.

C. All officers shall be subject to removal, with or without cause, at any time by a vote of a majority of all of the Directors.

D. A vacancy in the office of any officer shall be filled by the Board for the remainder of the current term of office.

Section 4.2. Powers and Duties of the Chair. The Chair shall preside at all meetings of the Board. He or she shall have such duties as are assigned by the Board.

Section 4.3. Powers and Duties of the Vice Chair. The Vice Chair shall perform the duties and exercise the powers of the Chair upon the Chair's death, absence, disability, or resignation, or upon the Chair's inability to perform the duties of his or her office. Any action taken by the Vice Chair in the performance of the duties of the Chair shall be conclusive evidence of the absence or inability to act of the Chair at the time such action was taken.

Section 4.4. Treasurer. The Treasurer shall have custody of all the funds and securities of the Authority which come into his or her hands. When necessary or proper, he or she may endorse, on behalf of the Authority, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Authority in a bank or banks or depositories designated by the Board; he or she may sign all receipts and vouchers for payments made to the Authority, either alone or jointly with another officer designated by the Board; whenever required by the Board, he or she shall render a statement of the Authority's accounts; he or she shall enter or cause to be entered regularly in the books of the Authority to be kept by him or her for that purpose full and accurate accounts of all moneys received and paid out on account of the Authority; he or she shall perform all acts incident to the position of Treasurer subject to the control of the Board; and he or she shall, if required by the Board, give such bond for the faithful discharge of his or her duties in such form as the Board may require. The Treasurer may, with approval of the Board **by resolution**, delegate any or all of these duties on an interim or ongoing basis to another Director, the Executive Director, or a member of the Authority staff.

Section 4.5. Secretary. The Secretary shall act as secretary of all meetings of the Board and keep the minutes of all meetings of the Board in books provided for that purpose; he or she shall attend to the giving and serving of all notices; he or she may attest the signatures of the Chair on all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Authority he or she shall have charge of the Authority's books, records, documents and instruments (except the books of account and financial records and securities of which the Treasurer shall have custody and charge), and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to the inspection of any Director at the office of the Authority during business hours; and, he or she shall perform all duties incident to the office of Secretary subject to the control of the Board. The Secretary may, with approval of the Board **by resolution**, delegate any or all of these duties on an interim or ongoing basis to another Director, the Executive Director, or a member of the Authority staff.

Section 4.6. No Compensation. Directors, even in their capacity as officers, are not entitled to compensation.

ARTICLE 5 TRANSACTIONS OF THE AUTHORITY

Section 5.1. Contracts. The Board may authorize a committee or any officer or agent of the Authority to approve a contract, and may authorize an officer, a Director or the Executive Director to execute and deliver any instrument in the name of and on behalf of the Authority. This authority may be limited to a specific contract or instrument or it may extend to any number and category of possible contracts and instruments. Approval by the Board, however, shall be required

for any contract such as a water supply contract that serves as a basis for issuance of bonds, notes or other obligations creating debt.

Section 5.2. Deposits. All funds of the Authority shall be deposited to the credit of the Authority in banks, trust companies, or other depositories that the Board selects.

Section 5.3. Potential Conflicts of Interest. The Authority shall not make any loan to a Director or officer of the Authority, and shall not otherwise transact business with a Director, officer, or committee member of the Authority unless the transaction is described fully in a legally binding instrument, is in the best interests of the Authority, is accompanied by full disclosure of all relevant facts, and is approved by the Board.

Section 5.4. Issuance of Bonds. The Authority may issue bonds, notes and other obligations as provided in the Enabling Act or under other applicable law. The issuance of bonds, notes or other obligations by the Authority must be approved by **two-thirds of all of the Directors** in accordance with Section 3.4.D.

ARTICLE 6 ADOPTION AND ENFORCEMENT OF RULES

Section 6.1. Matters Addressed in Rules. The Board may adopt and enforce rules as the Board deems them necessary to implement the Enabling Act, including without limitation the following:

- A. Rules governing procedures before the Board;
- B. Rules the Enabling Act requires the Board to adopt;
- C. Rules to preserve the sanitary condition of all water controlled by the Authority;
- D. Rules to prevent waste or the unauthorized use of water;
- E. Rules to require adoption and implementation of water conservation plans and drought contingency plans for the Authority or any portion of the Authority; and
- F. Rules regarding implementation, enforcement, and any other matters related to the exercise of the rights, powers, privileges, and functions conferred on the Authority by the Enabling Act for the provision of water and wastewater service.

Section 6.2. Notice and Public Hearing on Certain Rules. Prior to adopting or revising a rule that directly affects one or more Sponsors or Customers, the Authority will provide ten days' written notice of the meeting at which the rule will be considered to each Sponsor and Customer, and the Board will hold a public hearing on the proposed rule at that meeting. The notice will include the text and an explanation of the proposed rule, and a statement that written comments on the rule can be submitted before or at the meeting and verbal comments can be made during the public hearing at the meeting.

Section 6.3. Emergency Rules.

A. The Board may adopt an emergency rule in circumstances in which immediate action is needed in response to an imminent threat to public health and safety, or to a reasonably unforeseeable situation.

B. Prior to adopting an emergency rule that directly affects one or more Sponsors or Customers, the Authority will provide at least two hours' written notice of the meeting at which the rule will be considered to each Director and to the public, and the Board will hold a public hearing on the proposed rule at that meeting. The notice will include the text and an explanation of the proposed rule, and a statement that written comments on the rule can be submitted before or at the meeting and verbal comments can be made during the public hearing at the meeting.

C. An emergency rule is effective immediately upon adoption by the Board. An emergency rule will be effective for a period not to exceed 120 days, and may be renewed by the Board once for not more than 60 days.

Section 6.4. Notice and Public Hearing on Other Rules. This section applies to all rules other than those covered under Section 6.2 or Section 6.3 above. Prior to adopting or revising a rule, the Authority will provide 72 hours' written notice of the meeting at which the rule will be considered to each Sponsor and Customer, and the Board will hold a public hearing on the proposed rule at that meeting. The notice will include the text and an explanation of the proposed rule, and a statement that written comments on the rule can be submitted before or at the meeting and verbal comments can be made during the public hearing at the meeting.

Section 6.5. Notice of Rules. The Authority will provide written notice of the adoption of rules to each Sponsor and Customer. The notice will include the full text and the effective date of the rule.

Section 6.6. Enforcement of Rules. The Authority may enforce its rules against any person by any or all of the following:

A. Suit for injunction or mandatory injunction in a court of competent jurisdiction.

B. Suit for damages or other appropriate remedy in a court of competent jurisdiction.

C. Exercising any right of the Authority in a contract between the Authority and a Sponsor or Customer, including, without limitation, withholding or suspending the provision of water or wastewater services to a Sponsor or Customer.

ARTICLE 7 BOOKS AND RECORDS

Section 7.1. Required Books and Records. The Authority shall keep correct and complete books and records of account. The Authority's books and records shall include the following:

A. A copy of these Bylaws, including any amendments to these Bylaws;

B. Minutes of meetings of the Board and committees having any of the authority of the Board;

C. A list of the names and addresses of the Directors, officers, and any committee members of the Authority; and

D. All rulings, letters, and other documents relating to the Authority's federal, state, and local tax status.

Section 7.2. Inspection and Copying. The Authority's books and records shall be subject to applicable provisions of the Public Information Act. The Board may establish policies and reasonable fees for providing access to and copying of the Authority's books and records in accordance with the Public Information Act.

ARTICLE 8 ADDING AND REMOVING SPONSORS

Section 8.1 Method of Adding Sponsors.

A. The governing body of a local government or a private entity, including a water supply corporation, may petition the Board to add that local government or private entity as a Sponsor.

B. A petition under Subsection A must be submitted in writing to the Executive Director on the form approved by Board rule.

C. On receipt of a petition under Subsection A, the Board shall set a hearing on the petition and provide notice of the date, time, place, and purpose of the hearing to the Sponsors, and to the petitioning local government or private entity.

D. At the hearing, the Board shall determine whether the local government or private entity will benefit from being added to the Authority as a Sponsor, and whether it is in the best interest of the Authority to add the local government or private entity to the Authority as a Sponsor.

E. If, after a hearing on the petition, the Board determines that the local government or private entity should be added to the Authority as a Sponsor, the Board shall issue an order:

1. adding the local government or private entity to the Authority
2. adding the local government's or private entity's territory or service area to the territory of the Authority;
3. making the local government's or private entity's territory or service area subject to the privileges, duties, assets, and financial obligations of the Authority to the same degree as other Sponsors already included in the Authority; and
4. stating the proposed effective date of the order.

The Board's determination and the issuance of an order under this subsection must be approved by at least two-thirds of all of the Directors to be effective.

F. An order issued under Subsection E takes effect on the proposed effective date except as otherwise provided by this section. If the subject of the order is a local government, the proposed effective date must allow enough time for the local government to comply with

Subsections G and H.

G. A local government that is the subject of an order issued under Subsection E shall publish notice of the Authority's proposal to add the local government to the Authority as a Sponsor. The notice must:

1. be published in a newspaper of general circulation in the county in which the local government is located;
2. be published at least once per week for two consecutive weeks and with the first publication appearing on or before the 14th day before the proposed effective date of the order;
3. state the proposed effective date of the order adding the local government to the Authority as a Sponsor; and
4. include information regarding the right of the local government's voters to petition the governing body of the local government to call an election on the question of authorizing the addition of the local government to the Authority as a Sponsor and the method of making the petition.

H. If the governing body of the local government, before the proposed effective date of the order, receives a petition calling for an election on the question of authorizing the addition of the local government to the Authority as a Sponsor that is signed by at least 10 percent of the local government's registered voters, the governing body shall order a special election on the question. Section 41.001(a), Election Code, does not apply to an election ordered under this subsection.

I. On receipt of a qualifying petition under Subsection H, the effective date of the order issued under Subsection E is suspended until after the date of the election and the governing body of the local government shall notify the Board of the petition and suspension.

J. If a majority of voters voting in an election held under this section vote in favor of the addition of the local government to the Authority as a Sponsor, the order issued under Subsection E takes effect on the date the result is declared. If a majority of voters voting in the election vote against the addition of the local government to the Authority as a Sponsor, the order issued under Subsection E is ineffective.

Section 8.2. Method of Removing Sponsors.

A. The governing body of a local government or private entity that is a Sponsor of the Authority may petition the Board to be removed from the Authority as a Sponsor.

B. A petition under Subsection A must be submitted in the manner and form required by Board rule.

C. After receiving a petition under Subsection A, the Board shall decide whether the petitioning Sponsor should be removed from the Authority as a Sponsor and shall by order approve, conditionally approve, or disapprove the petition. An order approving or conditionally approving the removal of a Sponsor requires the concurrence of at least two-thirds of all of the Directors.

D. The Board may not approve a petition submitted to the Board under this section if that action would impair or violate or conflict with the terms of any outstanding bonds, notes, or other obligations of the Authority.

E. An order issued under Subsection C that approves or conditionally approves a Sponsor's petition to be removed from the Authority as a Sponsor must address:

1. all matters related to the removal as determined by the Board, including the removal of the territory of the Sponsor and territory located in the service area of the Sponsor as provided by the Sponsor's certificate of convenience and necessity; and
2. if applicable, any conditions imposed by the Board that the petitioning Sponsor must satisfy before the Board approves the petition, which may include:
 - a. payment by the petitioning Sponsor of all bonds, notes, or other obligations issued by the Authority on behalf of the Sponsor;
 - b. payment by the petitioning Sponsor of the Sponsor's pro rata share of any bond, note, or other obligation issued by the Authority, other than the bonds, notes, or other obligations described by Paragraph a, if the payment is allowed under the terms of the bond, note, or other obligation;
 - c. conditions related to the ownership or transfer of ownership of real property, facilities, equipment, personnel, and supplies; and
 - d. conditions the Authority considers necessary for the winding up of activities in connection with the removal of the petitioning Sponsor as a Sponsor from the Authority.

F. If the Board by order conditionally approves a Sponsor's petition under Subsection C, the petitioning Sponsor remains a Sponsor and shall make all payments owed to the Authority when due and shall satisfy all conditions included in the order. The Board shall approve the petition immediately after all required payments to the Authority are received and all conditions included in the order are satisfied as determined by the Board.

G. The removal of a local government or private entity from the Authority as a Sponsor under this section does not prohibit the local government or private entity from contracting with the Authority for the provision of water supply, wastewater treatment, or other services provided by the Authority.

ARTICLE 9 NOTICES

Section 9.1. Notice to a Director, Officer or Committee Member. Any notice required or permitted by these Bylaws to be given to a Director, officer, or member of a committee of the Authority may be given in person or by facsimile, mail, or electronic mail. A person may change his or her contact information by giving written notice to the Secretary.

Section 9.2. Notice to a Sponsor or Customer. Any notice required or permitted by these Bylaws to be given to a Sponsor or a Customer shall be given to the presiding officer of the

Sponsor's or Customer's governing body and to the Sponsor's or Customer's chief executive officer. A notice may be given in person or by facsimile, mail, or electronic mail.

Section 9.3. Delivery of Notices. If a notice is mailed, it shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Authority, with postage prepaid. If transmitted by facsimile or electronic mail, a notice is deemed to be delivered on successful transmission of the facsimile or electronic mail.

Section 9.4. Signed Waiver of Notice. Whenever any notice is required to be given under the provisions of these Bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed before or after the time stated in the notice being waived.

Section 9.5. Waiver of Notice by Attendance. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE 10 MISCELLANEOUS PROVISIONS

Section 10.1. Fiscal Year. The fiscal year of the Authority shall begin October 1 of each year.

Section 10.2. Seal. The seal of the Authority shall be approved by the Board by resolution.

Section 10.3. Resignations. Any Director or officer may resign at any time. A resignation shall be made in writing and shall take effect at the date and time specified therein, or, if no date and time be specified, at the time of its receipt by the Chair or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 10.4. Gender. References herein to the one gender shall also refer to the other gender in all appropriate cases and vice versa.

Section 10.5. Legal Construction. These Bylaws shall be construed in accordance with the laws of the State of Texas, including the Enabling Act, the Open Meetings Act, and the Public Information Act. All references in these Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

Section 10.6. Severability. If any Bylaw provision is held to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision, and these Bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the Bylaws.

Section 10.7. Headings. The headings used in these Bylaws are used for convenience and shall not be considered in construing these Bylaws.

Section 10.8. Power of Attorney. A person may execute any instrument related to the Authority by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Authority to be kept with the Authority records.

Section 10.9. Parties Bound. These Bylaws shall be binding upon and inure to the benefit of the Directors, officers, committee members, employees, and agents of the Authority and their respective heirs, executors, administrators, legal representatives, successors, and assigns, except as otherwise provided in these Bylaws.

Section 10.10. Approval or Advice and Consent of the Governing Body. To the extent that these Bylaws refer to approval by a Sponsor or refer to advice and consent by a Sponsor, such approval or advice and consent shall be evidenced by a certified copy of a resolution, order, motion, or other official action duly adopted of the governing body of the Sponsor.

ARTICLE 11

INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

Section 11.1. Right to Indemnification.

A. Definitions. In this Article:

1. *Covered person* includes current and former Directors, committee members, and employees of the Authority, and the estate of a current or former Director, committee member or employee of the Authority.
2. *Loss* means a sum of money which a covered person is legally obligated to pay.
3. *Proceeding* means any threatened, pending or completed claim, action, suit or civil, criminal, administrative, arbitrate or investigative proceeding.

B. Coverage generally. To the fullest extent permitted by law, the Authority shall indemnify and defend a covered person in accordance with this section from and against a loss arising in connection with a proceeding relating to an act or omission of the covered person during the course and scope of the covered person's office or employment for the Authority.

C. Additional coverage. In addition to the coverage described in subsection B of this section, the Authority will pay the following:

1. The Authority's expenses in investigating and defending the proceeding;
2. Court costs assessed against a covered person;
3. Reasonable expenses of the covered person incurred at the Authority's request or with the Authority's approval; and
4. Attorney's fees ordered by a court to be paid by the covered person.

D. Criteria for coverage. To be entitled to coverage under this section, a covered person must:

1. Notify the Executive Director or Authority legal counsel in writing as soon as practicable, but not later than three working days, after receipt of written notice of a proceeding;
2. Cooperate with the Authority in the conduct of the proceeding, negotiation of settlements, and enforcement of any rights of the Authority or the covered person against any claimant;
3. Attend depositions, hearings and trials, and assist in securing evidence and obtaining the attendance of witnesses;
4. Not, except with the consent of the Executive Director or Authority legal counsel, enter into any agreement or stipulation concerning a proceeding;
5. Not, except with the consent of the Executive Director or Authority legal counsel, or upon request of a public officer at the scene of an accident, give any oral or written statement concerning the accident; and
6. Not, except at the covered person's own cost, voluntarily make any payment, assume any obligation or incur any expense in connection with a proceeding without the consent of the Executive Director or Authority legal counsel.

E. *Exemptions.* Coverage under this section will not apply to a claim or suit brought against a covered person:

1. By the Authority;
2. Arising from the intentional or knowing violation of a penal statute or law committed by or with the knowledge and consent of the covered person, or arising from a fraudulent act committed by or at the direction of the covered person;
3. If the covered person joins or attempts to join a proceeding against the Authority or an officer or employee of the Authority with a proceeding against the covered person; or
4. If the covered person fails to comply with subsection D of this section.

F. *Investigation, negotiation, settlement.* The Authority may investigate, retain counsel, negotiate and settle any proceeding as it determines to be reasonable and prudent.

G. *Subrogation of rights.* A covered person, in accepting coverage under this section, agrees to allow the Authority to be subrogated to any rights of the covered person to the extent of the Authority's obligations and payments under this section.

H. *Conflict of interest.* If the Executive Director or Authority legal counsel determines there is a conflict between the interests of the Authority and those of a covered person involved in a proceeding, the Authority may designate and pay the reasonable fees of a separate attorney to represent the covered person.

I. *Disciplinary action.* Nothing in this section will affect the Authority's right to take disciplinary action against a covered person for conduct otherwise indemnified or defended by the Authority under this section.

Section 11.2. Non-exclusivity of Rights. The right to indemnification conferred in this Article XI shall not be exclusive of any other right which a covered person may have or hereafter acquire under any law (common or statutory), these Bylaws, written agreement with the Authority, vote of disinterested Directors or otherwise.

Section 11.3. Insurance. The Authority may purchase and maintain insurance, at its expense, to protect itself and any covered person against any expense, liability or loss, whether or not the Authority would have the power to indemnify such person against such expense, liability or loss under this Article.

Section 11.4. Notification. The Executive Director will report any indemnification of a covered person under this Article to the Board.

Section 11.5. Savings Clause. If this Article or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Authority shall nevertheless indemnify and hold harmless each covered person with respect to a proceeding to the extent permitted by any applicable portion of this Article that shall not have been invalidated and to the fullest extent permitted by applicable law.

ARTICLE 12 CODE OF ETHICS

Section 12.1. Purposes.

A. This Code of Ethics is adopted as part of the Authority's Bylaws for the following purposes: 1) to establish policies to promote and maintain public confidence in the Authority; 2) to establish high ethical standards for official conduct by Directors and officers; and 3) to encourage compliance with the standards of conduct.

B. It is the policy of the Authority that Directors and officers 1) conduct themselves in a manner consistent with sound business and ethical practices; 2) consider the public interest foremost in conducting Authority business; and 3) avoid both impropriety and the appearance of impropriety with respect to Authority business in their official and personal affairs.

Section 12.2. Compliance with Ethics Policies. It is the Authority's policy that Directors and officers shall comply with all of the following:

A. Conduct themselves in a manner consistent with sound business and ethical practices;

B. Consider the public interest foremost in conducting Authority business; and

C. Avoid impropriety and the appearance of impropriety with respect to Authority business in their public and personal affairs.

Section 12.3. Prohibited Acts. Except with the prior approval of the Board, no Director, officer, or committee member of the Authority shall do any of the following:

- A. Any act in violation of these Bylaws or a binding obligation of the Authority;
- B. Any act with the intention of harming the Authority or any of its operations;
- C. Any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Authority;
- D. Receive an improper personal benefit from the operation of the Authority;
- E. Use the assets of the Authority, directly or indirectly, for any purpose other than carrying on the business of the Authority;
- F. Wrongfully transfer or dispose of Authority property, including intangible property such as good will;
- G. Use the name of the Authority (or any substantially similar name) or any trademark or trade name adopted by the Authority, except on behalf of the Authority in the ordinary course of the Authority's business; or
- H. Except as required by law, disclose any Authority business practices, trade secrets, or any other information not generally available to the public to any person not authorized to receive it.

Section 12.4. Compliance with Ethics-Related Laws. Directors and officers shall comply with all of the following:

- A. Chapter 171, Texas Local Government Code, relating to conflicts of interests with a business entity or real property in which an official has a substantial interest;
- B. Chapter 176, Texas Local Government Code, relating to the filing by an officer of a conflicts disclosure statement with respect to a vendor with which the officer has a business relationship.
- C. Chapter 573, Texas Government Code, prohibiting participation by a Director or officer in personnel actions involving a person related to the Director or officer.
- D. Article III, Section 52, of the Texas Constitution, relating to the prohibition on granting public money or things of value to any individual, association or corporation.
- E. Chapter 36, Texas Penal Code, relating to the solicitation or acceptance of an improper benefit in connection with an exercise of discretion by a public servant.

ARTICLE 13 AMENDMENTS

To be effective, a proposal to alter, amend, or repeal these Bylaws must be approved by the affirmative vote of a majority of all of the Directors at any regular meeting, or at any special meeting if notice of the proposal is contained in the notice of the special meeting.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of the Board of Directors of the Alliance Regional Water Authority and that the foregoing Bylaws constitute the Bylaws of the Authority. These Bylaws were approved and duly adopted at a meeting of the Board of Directors held on _____, 2018.

DATED: _____, 2018.

ALLIANCE REGIONAL WATER AUTHORITY

Secretary, Board of Directors

RULES

OF THE

ALLIANCE REGIONAL WATER AUTHORITY

Created by the Legislature of the State of Texas as a regional water authority in Bexar, Caldwell, Comal, Guadalupe, and Hays Counties, under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution

Date of Adoption: _____, 2018

**RULES
OF THE
ALLIANCE REGIONAL WATER AUTHORITY**

PART 1. DEFINITIONS

Rule 1.1. Definitions of Terms. Unless the context clearly indicates a different meaning, the terms below shall have the following meanings in these Rules:

A. *Authority* means the Alliance Regional Water Authority.

B. *Board* means the board of directors of the Authority.

C. *Customer* means a local government or private entity that is not a Sponsor and which has a contract with the Authority for water or wastewater services.

D. *Director* means a member of the Board.

E. *District* means any district or authority created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, regardless of the manner of creation.

F. *Enabling Act* means the Authority's enabling legislation (Act of May 28, 2017, 85th Leg., R.S., ch. 806, 2017), authorized by Article 16, Section 59, of the Texas Constitution, codified in the Texas Special District Local Laws Code, Chapter 11010.

G. *Executive Director* means the person appointed by the Board as the chief executive officer of the Authority.

H. *Local government* means:

1. a municipality, county, district, or other political subdivision of this state;
2. a local government corporation;
3. a nonprofit corporation created to act on behalf of a local government; or
4. a combination of two or more of the entities described by this subdivision.

I. *Private entity* includes an individual, corporation, organization, business trust, estate, trust, partnership, and association and any other legal entity that is not a governmental body or agency.

J. *Sponsor* means:

1. the City of Kyle;

2. the City of San Marcos;
 3. the City of Buda;
 4. the Canyon Regional Water Authority; and
 5. any other local government or private entity added to the Authority as a Sponsor under Section 11010.005 of the Act.
- K. *State* means the State of Texas.

L. *Water* includes:

1. groundwater, percolating or otherwise, notwithstanding the quality of the groundwater;
2. any surface water, naturally or artificially impounded or in a navigable or nonnavigable watercourse; and
3. municipal wastewater or industrial wastewater, including municipal wastewater or industrial wastewater that has been treated to a quality suitable for reuse for a beneficial use.

[Bylaws cross reference: Section 1.1]

PART 2. PETITIONS TO ADD OR REMOVE A SPONSOR

Rule 2.1. Form and Manner of Submission of Petition to Add a Sponsor.

A. A petition to add a local government or private entity to the Authority as a Sponsor must be submitted on the form attached to these Rules as Attachment 1.

B. The petition must be submitted to the Executive Director at the business office of the Authority.

C. The petition must provide all information called for on the form, and must be accompanied by all required attachments. The Executive Director will inform a Petitioner of any incomplete items and allow the Petitioner 10 days to provide additional information. If the Petitioner does not provide information and attachments to complete the petition within that time, the Executive Director will return the petition to the Petitioner.

[Bylaws cross reference: Section 8.1]

Rule 2.2. Form and Manner of Submission of Petition to Remove a Sponsor

A. A petition to remove a local government or private entity from the Authority as a Sponsor must be submitted on the form attached to these Rules as Attachment 2.

B. The petition must be submitted to the Executive Director at the business office of the

Authority.

C. The petition must provide all information called for on the form, and must be accompanied by all required attachments. The Executive Director will inform a Petitioner of any incomplete items and allow the Petitioner 10 days to provide additional information. If the Petitioner does not provide information and attachments to complete the petition within that time, the Executive Director will return the petition to the Petitioner.

[Bylaws cross reference: Section 8.2]

PART 3. DIRECTORS; APPORTIONMENT; APPOINTMENT

Rule 3.1. Setting the Number of Directors; Apportioning Directors among the Sponsors.

A. The number of Directors is set at 13.

B. The Directors are apportioned among the Sponsors based on the amount of water contracted to be supplied to each Sponsor under the terms of the Authority's water supply contract with the Sponsor. At present, the Authority and the Sponsors are all parties to a single Regional Water Supply Contract, and the Directors are apportioned based on the share of capacity in the Authority water supply project that is reserved for each Sponsor in that contract (subject to a minimum of one Director for each Sponsor), as follows:

1. The City of San Marcos, Texas appoints five Directors.
2. Canyon Regional Water Authority appoints four Directors.
3. The City of Kyle, Texas appoints three Directors.
4. The City of Buda, Texas appoints one Director.

[Bylaws cross reference: Section 3.1.B]

Rule 3.2. Reapportionment of Directors among Sponsors.

A. After the addition or removal of a Sponsor, the Enabling Act requires the Board by rule to reapportion the Directors among the Sponsors based on the amount of water contracted to be supplied to each Sponsor under the terms of the Authority's water supply contracts with the Sponsors.

B. In connection with a change to the amount of water contracted to be supplied by the Authority to the Sponsors under the terms of the Authority's water supply contracts with the Sponsors, the Board shall determine whether a change in the number of Directors or in the apportionment of Directors among the Sponsors is appropriate. If the Board determines such a change is appropriate, the Board by rule shall proceed to make the change.

C. Before the Board reapportions the Directors among the Sponsors for any reason, or increases or decreases the number of Directors on the Board for any reason, the Board will ask the Executive Director for a recommendation on the proposed change.

[Bylaws cross reference: Section 3.1.I, J, K and L]

Rule 3.3. Method by which Sponsors Appoint Directors

At present, all of the Sponsors are local governments. Action by a Sponsor to appoint or remove a Director shall be in the form of a minute entry, ordinance or resolution approved by the Sponsor's governing body.

[Bylaws cross reference: Section 3.1.D]

PART 4. PROCEDURES BEFORE THE BOARD

Rule 4.1. Regular Meetings of Board.

The Board will hold its regular meetings at such place or places as the Board determines by resolution.

[Bylaws cross reference: Section 3.2]

Rule 4.2. Special and Emergency Board Meetings.

A. Special and emergency meetings of the Board shall be held whenever called by the Chair or the Secretary, or at the written request of three Directors.

B. The Authority shall give notice of each special meeting to each Director in person or by facsimile, mail, or electronic mail.

C. The Authority shall give notice of each emergency meeting to each Director in person or by facsimile, mail, or electronic mail. The notice on its face shall describe the emergency that gave rise to the need for the meeting.

D. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Authority may be considered and acted upon at a special or emergency meeting.

[Bylaws cross reference: Section 3.3]

Rule 4.3. Quorum; Required Vote.

A. A majority of all of the Directors shall constitute a quorum of the Board. The Board may not conduct business unless a quorum of the Board is present, either in person or by telephone conference call or videoconference to the extent permitted under the Open Meetings Act. If at any meeting of the Board there is less than a quorum present, a majority of those present may continue

the meeting to a time not later than the day immediately following the date for which notice of the meeting was given.

B. The concurrence of a majority of the Directors present and voting at a meeting at which a quorum is in attendance shall constitute the act of the Board, unless the concurrence of a greater number is required by law, or by rules adopted by the Board.

C. The concurrence of a majority of all of the Directors shall be required for any of the following actions:

1. The award of a construction contract in an amount greater than \$100,000.
2. Approving a contract for the supply of water by the Authority.
3. An amendment to these Bylaws.
4. Creation of a committee.
5. Election or removal of an officer of the Board.
6. Adoption of an emergency rule.
7. A change in the apportionment of Directors among the Sponsors.
8. Any waiver of confidentiality or privilege related to any attorney-client communication between any legal counsel of the Authority and the Board, any committee, or any officer, Director, committee member, employee or agent of the Authority.

D. The concurrence of at least two-thirds of all of the Directors shall be required for any of the following actions:

1. Authorizing the issuance of bonds or the approval of a promissory note or other instrument creating debt.
2. Appointing or terminating an Executive Director.
3. Issuing an order adding or removing a Sponsor from the Authority.

E. A Director who is present at a meeting of the Board at which any Authority action is taken shall be presumed to have assented to such action unless his or her dissent or abstention is entered in the minutes of the meeting, or unless the Director files his or her written dissent or abstention to such action with the person acting as the secretary of the meeting before the adjournment thereof. Such right to dissent or abstain shall not apply to a Director who voted in favor of the action.

[Bylaws cross reference: Section 3.4]

Rule 4.4. Open Meetings Act.

All meetings of the Board shall be subject to applicable provisions of the Open Meetings Act.

[Bylaws cross reference: Section 3.5]

Rule 4.5. Board Meeting Agendas; Conduct of Business.

A. Agendas for Board meetings will be prepared by the Executive Director, in consultation with the Chair as needed. The Executive Director or Chair may include an item on an agenda upon written request by one or more Directors. The agenda for each regular meeting shall include an item under which the public may offer comments on matters related to Authority business.

B. At meetings of the Board, matters shall be considered in the order the Board determines is appropriate.

C. At meetings of the Board, the Chair shall preside, and in the absence of the Chair, the Vice Chair shall preside. In the absence of the Chair and the Vice Chair, the Board shall choose an acting chair for that meeting from among the Directors present.

D. Each Director is entitled to one vote on any issue before the Board.

[Bylaws cross reference: Section 3.6]

PART 5. WATER CONSERVATION AND DROUGHT CONTINGENCY PLANS

Rule 5.1. Adoption of Water Conservation Plan.

The Alliance Regional Water Authority Water Conservation Plan, attached to these Rules as Appendix A, is adopted.

Rule 5.2. Adoption of Drought Contingency Plan.

The Alliance Regional Water Authority Drought Contingency Plan, attached to these Rules as Appendix B, is adopted.

Appendix A
Alliance Regional Water Authority
Water Conservation Plan

The Authority Water Conservation Plan consists of a compilation of the water conservation plans of each of the Sponsors.

Appendix B
Alliance Regional Water Authority
Drought Contingency Plan

[Describe trigger for implementing the plan – A reduction in the quantity of permitted production by a GCD]

[Describe the methodology for implementing a reduction]

REGULAR MEETING
Alliance Regional Water Authority Executive Committee

COMMITTEE MEMBER PACKETS

Wednesday, February 14, 2018 at 2:00 P.M.
520 E. RR 150, Kyle, Texas 78640

- C.6** Update on status of groundwater management in project target area, and Gonzales County Underground Water Conservation District, Plum Creek Conservation District, Groundwater Management Area 13, Region L Planning Group, Guadalupe-Blanco River Authority, Hays County and CAPCOG activities.
~ *Graham Moore, P.E., Executive Director*
-

Gonzales County Underground Water Conservation District (GCUWCD)

The GCUWCD is scheduled to meet on February 13th. A verbal update on the meeting will be provided to the Committee.

Plum Creek Conservation District (PCCD)

The PCCD January meeting was held on January 23rd, no issues affecting Alliance Water were discussed.

Groundwater Management Area 13

The final Modeled Available Groundwater (MAG) for GMA-13 was issued on October 27, 2017. The MAG for the Carrizo-Wilcox Aquifer increased overall to match the pumpage anticipated by strategies in the 2016 Region L Plan.

Region L Planning Group

The next Region L meeting is scheduled for Thursday, February 15th. The meeting is anticipated to be short.

Guadalupe-Blanco River Authority

No update.

Hays County Activities

No update.

CAPCOG Activities

No update.

Executive Committee decision needed:

- None.

REGULAR MEETING
Alliance Regional Water Authority Executive Committee

COMMITTEE MEMBER PACKETS
 Wednesday, February 14, 2018 at 2:00 P.M.
 520 E. RR 150, Kyle, Texas 78640

D. EXECUTIVE DIRECTOR REPORT

Board Meeting

- Reminder: the February Board meeting is scheduled for Wednesday, February 28th at 3:00 PM at the San Marcos Activity Center.
- Assuming the bylaws are approved, then the Board will need to appoint members to the Technical Committee.

Water Conference

- Rethinking Texas Water Policy – Thursday and Friday, April 5-6th at Texas A&M Bush School of Government & Public Service. Cost is \$150 before March 9th and \$200 after. More info can be found at:
<http://bush.tamu.edu/mosbacher/events/txwater/>

Consultant Invoices Paid

- Below is a report on the consultant invoices paid in January.

FY 17-18 CONSULTANT INVOICES PAID in January						
Consultant	Total Authorized	Current Invoice	Invoiced-to-Date	% of Contract Invoiced	Remaining	Notes/Anomalies
Mark B. Taylor	\$90,000.00	\$8,990.00	\$28,540.00	32%	\$61,460.00	
LAN - Kyle/Buda Design	\$172,807.63	\$12,009.96	\$37,003.14	21%	\$135,804.49	
Carls, McDonald & Dalrymple, LLP	\$50,000.00	\$0.00	\$3,854.00	8%	\$46,146.00	
RW Harden	\$50,000.00	\$4,830.50	\$26,808.90	54%	\$23,191.10	
Tx Solutions Group	\$72,000.00	\$6,000.00	\$30,000.00	42%	\$42,000.00	
Gap Strategies	\$50,000.00	\$3,028.00	\$12,798.00	26%	\$37,202.00	
Atchley & Associates	\$15,500.00	\$0.00	\$0.00	0%	\$15,500.00	
BGE - Ph 1A Final Design	\$21,593.86	\$3,962.98	\$5,944.47	28%	\$15,649.39	
AECOM - DPR Study	\$331.00	\$0.00	\$331.00	100%	\$0.00	
LNV - Wellfield Prelim	\$33,641.25	\$2,266.25	\$6,310.50	19%	\$27,330.75	
LAN - ROW Acquisition	\$55,216.41	\$0.00	\$14,180.00	26%	\$41,036.41	
Kent Alan Sick - ROW Legal	\$20,938.76	\$0.00	\$0.00	0%	\$20,938.76	
Kimley-Horn Ph 1B Prgm Dev	\$162,279.13	\$9,943.63	\$39,980.27	25%	\$122,298.86	
HDR - Common Facilities MOU	\$6,194.33	\$6,194.33	\$6,194.33	100%	\$0.00	
LNV - Ph 1A Observations	\$390,890.00	\$11,340.00	\$40,983.75	10%	\$349,906.25	
LNV - Env Svcs for Land Acquisition	\$9,100.00	\$2,275.00	\$9,100.00	100%	\$0.00	
LNV - GIS Svcs	\$60,000.00	\$1,791.25	\$1,791.25	3%	\$58,208.75	
Total	\$1,260,492.37	\$72,631.90	\$263,819.61		\$996,672.76	

REGULAR MEETING
Alliance Regional Water Authority Executive Committee

COMMITTEE MEMBER PACKETS
 Wednesday, February 14, 2018 at 2:00 P.M.
 520 E. RR 150, Kyle, Texas 78640

Approved Change Orders

- No change orders were approved in January 2017.

CHANGE ORDERS APPROVED IN JANUARY 2018				
Consultant	Original Authorization	Change Ordes to Date	Change Order Approved this Month	New Total Contract Amount
LAN - Kyle/Buda Design	\$ 475,900.00	\$ 187,088.96	\$ -	\$ 662,988.96
BGE - Ph 1A Final Design	\$ 390,152.00	\$ -	\$ -	\$ 390,152.00
LAN - ROW Acquisition	\$ 212,650.00	\$ -	\$ -	\$ 212,650.00
Kent Alan Sick - ROW Legal	\$ 35,000.00	\$ -	\$ -	\$ 35,000.00
LNV - Ph 1A Observations	\$ 394,870.00	\$ -	\$ -	\$ 394,870.00
LNV - Wellfield Prelim	\$ 58,870.00	\$ -	\$ -	\$ 58,870.00
Central Road & Utility - Phase 1A Segment A	\$1,718,117.99	\$ -	\$ -	\$ 1,718,117.99

REGULAR MEETING
Alliance Regional Water Authority Executive Committee

COMMITTEE MEMBER PACKETS
Wednesday, February 14, 2018 at 2:00 P.M.
520 E. RR 150, Kyle, Texas 78640

E. COMMITTEE MEMBER ITEMS – no action to be taken.

Background/Information

The Committee Members have an opportunity to make announcements or to request that items be added to future Board of Committee agendas.

REGULAR MEETING
Alliance Regional Water Authority Executive Committee

COMMITTEE MEMBER PACKETS
Wednesday, February 14, 2018 at 2:00 P.M.
520 E. RR 150, Kyle, Texas 78640

F.1 *Executive Session pursuant to the Government Code, Section 551.071 (Consultation with Attorney) and/or Section 551.072 and 551.073 (Real Property Deliberations) regarding:*

- A. *Water supply partnership options*
 - B. *Groundwater leases*
 - C. *Acquisition of real property for water supply project purposes*
-

REGULAR MEETING
Alliance Regional Water Authority Executive Committee

COMMITTEE MEMBER PACKETS
Wednesday, February 14, 2018 at 2:00 P.M.
520 E. RR 150, Kyle, Texas 78640

F.2 Action from Executive Session on the following matters:

- A. *Water supply partnership options*
 - B. *Groundwater leases*
 - C. *Acquisition of real property for water supply project purposes*
-

REGULAR MEETING
Alliance Regional Water Authority Executive Committee

COMMITTEE MEMBER PACKETS
Wednesday, February 14, 2018 at 2:00 P.M.
520 E. RR 150, Kyle, Texas 78640

G. ADJOURNMENT
