

BYLAWS OF HIGH PLAINS UNDERGROUND WATER CONSERVATION DISTRICT NO. 1

(Amended by the Board of Directors on March 10, 2009)

ARTICLE 1

The name of this corporation is HIGH PLAINS UNDERGROUND WATER CONSERVATION DISTRICT NO. 1, hereinafter referred to as District. The District was formed in 1951 for the purpose of conserving, preserving, protecting and recharging the underground water of Subdivision No. 1 of the Underground Water Reservoir, High Plains Area, South of the Canadian River in Texas, as authorized by Article 7880-3c Revised Civil Statutes of the State of Texas (Acts of the 51st Legislature, 1949, Ch. 306, Page 559) and Article XVI, Section 51 of the Texas Constitution.

ARTICLE 2 BOARD OF DIRECTORS

A board of five Directors, elected according to the precinct method as specified in Vernon's Texas Codes Annotated, Water Code, Section 52.102, shall be the managing body in charge of all the business and affairs of the District and shall make all contracts thereto.

In the management and control of the property, business, and affairs of the District, the Board of Directors is hereby vested with all the powers possessed by the District itself insofar as such authority is not inconsistent with the laws of the State of Texas or with these bylaws. To the extent allowed by and in the manner required by law, the Board of Directors shall have the power to borrow money on behalf of the District and to issue evidence of the indebtedness and security therefor and to assume indebtedness on behalf of the District, these powers being cumulative of all other powers of the Board of Directors. The Board shall adopt rules to provide for conserving, preserving, protecting, recharging, controlling subsidence, and preventing waste of the underground water and to carry out the powers and duties provided by Vernon's Texas Code Annotated, Water Code, Chapter 52.

ARTICLE 3 MEETINGS

The Board shall hold regular meetings at the office of the District on the ~~second~~ **third** Tuesday of each month and may hold meetings at such other times and places as the business of the District may require.

Special meetings of the Board may be called by the President or by a majority of the Directors, upon three days written notice by mail, stating the purpose or purposes thereof. Special meetings may also be held at any time by unanimous consent of the Directors.

Notice of all regular and special meetings of the Board shall be posted in accordance with the Texas Open Meetings Act.

A majority of the Board of Directors shall constitute a quorum at any meeting.

ARTICLE 4 COUNTY ADVISORY COMMITTEES

A. Each county in the District shall have a County Advisory Committee composed of five (5) Committee Members. Each county commissioner's precinct within the District or partly within the District, shall at all times have at least one member on the County Advisory Committee, unless the Board waives the requirement in writing.

B. Each County Advisory Committee Member shall qualify and be appointed to office as prescribed by the Title 9, Section 141.001 of the Texas Election Code as it relates to appointments.

If the county has four commissioner's precincts within or partly within the District, one Committee Member shall be appointed from each commissioner's precinct, and one Committee Member shall be appointed at large. If the county has three commissioner's precincts within or partly within the District, one Committee Member shall be appointed from each commissioner's precinct, and two Committee Members shall be appointed at large. If the county has two commissioner's precincts within or partly within the District, two Committee Members shall be appointed from each commissioner's precinct, and one Committee Member shall be appointed at large. If one commissioner's precinct lies within or partly within the District, all Committee Members shall be appointed from that precinct. If only a part of one or more commissioner's precincts lie within or partly within the District, the Board may select an alternate method of appointing the County Advisory Committee to provide representation.

C. Effective July 18, 2007, the Board shall appoint persons to serve as members of its County Advisory Committee. The current elected County Committee Members shall continue to serve in this capacity until their respective terms end in either 2008 or 2010. At that time, the District's Board shall begin appointing candidates to serve either a new four-year term or re-appointment to a second four-year term.

D. The Board shall appoint Committee Members in years when the District Director is chosen for the District Directors' Precinct in which the county lies. Counties which are in District Directors' Precinct 3 and Precinct 4 will appoint Committee Members in Presidential Election years; and counties which are in District Directors' Precinct 1, Precinct 2, and Precinct 5 will appoint Committee Members in the even-numbered years between Presidential Elections.

E. The term of office of County Advisory Committee Members shall be four (4) years.

1. No Committee Member may serve more than two (2) successive terms without a period of inactive status of at least two (2) years.

2. If any Committee Member resigns, becomes ineligible, becomes incapacitated or, in the judgment of the Board, fails to fulfill the duties of office, the Board may declare a vacancy and appoint a successor to complete the unexpired term.

F. The County Advisory Committee shall serve solely in an advisory capacity to the Board. The County Advisory Committee:

1. may recommend to the Board candidates for the office of Committee Member;

3. may communicate to the Board any information concerning the wishes of the people of the county;

4. shall report to the District office any violations of the District's rules;

5. shall attend meetings to be held annually at the District's office or other designated location; and

5. shall perform such other duties as required by the Board.

G. The County Advisory Committee is authorized by the Board to hold meetings when necessary to conduct District business but not more than once each month at the office of the County Secretary or

another designated location. Special meetings may be called by the Board as needed to consider District business.

**ARTICLE 5
COUNTY SECRETARY**

The Board may appoint a County Secretary to receive, file and transmit to the District office permit applications, to accept deposits, to give information to the public, to provide forms to the public, to keep records, receive well logs, reports and other information, and to perform such other duties as the Board may authorize.

**ARTICLE 6
GENERAL MANAGER**

A General Manager for the District shall be selected by the Directors. Duties shall be delegated by the Board of Directors. The salary and term of office and allowances for expenses shall be as set by the Board of Directors from time to time.

**ARTICLE 7
FISCAL YEAR**

The fiscal year for the District shall be the calendar year.

**ARTICLE 8
DEPOSIT OF DISTRICT FUNDS**

The funds of the District are to be deposited in banks within the Water District service area. Deposits in any one bank shall not exceed the amount covered by FDIC insurance.

**ARTICLE 9
ANNUAL BUDGET**

The Board shall adopt an annual budget setting forth the estimated cost for all activities and programs of the District.

**ARTICLE 10
SETTING OF TAX RATE**

The Board shall set a tax rate which will yield adequate funds to cover the expenditures set forth in the adopted budget. The Board may amend the budget should changing conditions require greater or lesser expenditures than were originally budgeted.

**ARTICLE 11
BOARD APPROVAL OF EXPENDITURES**

The Board shall review and approve all bills paid and/or to be paid at its monthly meeting. The Board may authorize the Manager to spend the funds as set forth in the budget. Any single expenditure in excess of \$5,000 shall be pre-approved by the Board as an agenda item at a regular or special called meeting of the Board. The Manager is responsible for providing to the Board the balance of the various accounts budgeted for the various programs of the District. The Board shall review all travel vouchers of the Board Members and the Manager and all staff travel vouchers which exceed \$250 during one calendar month.

**ARTICLE 12
CONTRACTS**

No contract to sell, lease or convey, nor the conveyance of any real estate owned by the District nor contract to assign nor the assignment of any leasehold interest owned by the District shall be made unless authorized by the Board of Directors at a regular or special meeting. No conveyance, mortgage or lease of real property executed pursuant to authority given by the Board of Directors shall be valid unless signed by the President or Vice-President, sealed with the seal of the District and attested by the Secretary of the District. The Board shall approve all contracts for services, with the exception of service contracts on maintenance of District equipment which they may delegate to the Manager.

**ARTICLE 13
BYLAWS**

The bylaws of the District may be amended, added to, or repealed by a majority vote of the Board of Directors at any meeting of the Board of Directors, providing notice of the proposed change or changes is given in the notice of the meeting or the notice thereof is waived in writing.

**ARTICLE 14
DISTRICT SEAL**

The seal of this District shall consist of a flat-faced circular dye with the following words and figures thereon: HIGH PLAINS UNDERGROUND WATER CONSERVATION DISTRICT NO. 1.

ARTICLE 15

MINUTES

Complete minutes shall be kept of all Directors' meetings.