

**ECTOR COUNTY UTILITY DISTRICT  
RESTATED BY-LAWS, AS AMENDED**

**ARTICLE I**

**OFFICES**

SECTION 1. The principal office of the Ector County Utility District (hereinafter "District") District shall be located within the District boundaries in the County of Ector, State of Texas.

**ARTICLE II**

**MANAGEMENT OF DISTRICT**

SECTION 1. The board shall be responsible for the management of all the affairs of the District. The District shall employ or contract with all persons, firms, partnerships, corporations, or other entities, public or private, deemed necessary by the board for the conduct of the affairs of the District, including, but not limited to, engineers, attorneys, financial advisors, operators, bookkeepers, tax assessors and collectors, auditors, and administrative staff.

SECTION 2. The board shall adopt an annual budget.

SECTION 3. All district employees are employed at the will of the District unless the District and employee execute a written employment contract.

SECTION 4. The board shall set the compensation and terms for employees and consultants.

SECTION 5. In selecting attorneys, engineers, auditors, financial advisors, or other professional consultants, the district shall follow the procedures provided in Subchapter A, Chapter 2254, Government Code<sup>1</sup> (Professional Services Procurement Act.)

ARTICLE II  
MANAGEMENT OF DISTRICT

SECTION 4. The board shall set the compensation, contract, and terms for the General Manager. The General Manager shall set the compensation, job description, promotion, and termination of all other ECUD employees. The General Manager may seek the recommendation of the board. The board shall set the terms and compensation for consultants.

SECTION 6. The board shall require a director, officer, employee, or consultant, including a bookkeeper, financial advisor, or system operator, who routinely collects, pays, or handles any funds of the district to furnish good and sufficient bond, payable to the district, in an amount determined by the board to be sufficient to safeguard the district. The board may require a consultant who does not routinely collect, pay, or handle funds of the district to furnish a bond. The bond shall be conditioned on the faithful performance of that person's duties and on accounting for all funds and property of the district. Such bond shall be signed or endorsed by a surety company authorized to do business in the state.

SECTION 7. The board may pay the premium on surety bonds required of officials, employees, or consultants of the district out of any available funds of the district, including proceeds to do business in the state.

SECTION 8. The board may pay the premium on surety bonds required of officials, employees, or consultants of the district out of any available funds of the district, including proceeds from the sale of bonds.

SECTION 9. The board may adopt bylaws to govern the affairs of the district to perform its purposes.

SECTION 10. The board shall also have the right to purchase all materials, supplies, equipment, vehicles, and machinery needed by the district to perform its purposes.

SECTION 11. The board may obtain or require an officer, employee, or consultant of the district to obtain insurance or coverage that covers theft of district funds by officer, employees, or consultants of the district.

## Article II

### Management Of District

SECTION 12. The district shall make all attempts to collect unpaid charges. Ector County Utility District has the right to use an external collection agency and delinquent accounts shall be reported to a credit bureau (Title VI of the Consumer Credit Protection Act Law 15 U.S.C. 1681).

SECTION 13. The owner of any property who rents property to another and such tenant carries ECUD water, wastewater or trash collection services in tenant's name, the owner of property is responsible for tenant's delinquent utility bill. ECUD utility services shall not be provided until delinquent debt and any other incurred expenses have been paid. Incurred expenses shall include attorney fees, tapering fees, damages to ECUD equipment (meters, valves, plugs, any and all meter related equipment), and disconnect fees.

SECTION 14. Ector County Utility District as set out in Local Government Code Section 552.0025 (c) may impose a lien against an owner's property for delinquent utility bills for the use of Ector County Utility District services. This does not apply if the property is homestead protected by the Texas Constitution. The lien is perfected by recording a notice of lien, which may include penalties, interest, and collection costs, in the real property records of the county clerk's office.

ARTICLE III  
BOARD OF DIRECTORS

SECTION 1. As declared in the formation documents and laws of the District of the State of Texas, the District is a governmental entity and shall have no members, and the property, business and affairs of the District shall be managed by a Board of Directors which may exercise all powers of the District and do and perform all lawful acts on behalf and in the name of the District in accordance with the laws of the State of Texas. The number of Directors constituting the Board of Directors shall be five.

SECTION 2. The Board of Directors shall consist of two classes, Class I and Class II. Class I shall contain three Directors. Class II shall contain two Directors. As soon as is practicable after the adoption of these By-Laws, the Board, by appropriate resolution or by lot, shall assign three Directors to Class I and the remaining two Directors to Class II. The members assigned to Class I shall serve until the date of the October meeting of the Board of Directors in the year 2016 and until their successors shall be elected and shall qualify. The members assigned to Class II shall serve until the date of the October meeting of the Board of Directors in the year 2018 and until their successors shall be elected and shall qualify. To serve for a term of four (4) years, and until their successors shall be elected and shall qualify, with the result that the term of office of one of said two Classes of Directors shall expire every four (4) years hereafter.

QUALIFICATIONS OF DIRECTORS

SECTION 3. A Director shall be at least 18 years old, a resident citizen of the State of Texas, and own land subject to taxation in the District.

## DISQUALIFICATION OF DIRECTOR

SECTION 4. A Director is disqualified from serving as a member of the board, if that person:

- (a) is related within the third degree of affinity or consanguinity to a developer of property in the district, or other person providing professional services to the district;
- (b) is an employee of any developer of property in the district or any director, manager, engineer, attorney, or other person providing professional services to the district or a developer of property in the district in connection with the district or property located in the district;
- (c) is a developer of property in the district;
- (d) is serving an attorney, consultant, engineer, manager, architect, or in some other professional capacity for the district or a developer of property in the district in connection with the district or property located in the district;
- (e)
  - (1) is a party to a contract with or along with the district except for the purchase of public services furnished by the district to the public generally; or
  - (2) is a party to a contract with or along with a developer of property in the district relating to the district or to property within the district, other than a contract limited solely to the purpose of purchasing or conveying real property in the district the purpose of either establishing a permanent residence, establishing a commercial business with the district, or qualifying as a director; or

(f) during the term of office, fails to maintain the qualifications required by law to serve as director.

(g) failing to attend three (3) board meetings without good cause as determined by a majority vote of the board.

SECTION 5. Within 60 days after the board determines a relationship or employment exists which constitutes a disqualification, it shall replace the person serving as a member of the board with a person who would not be disqualified.

SECTION 6. A Director while in office shall be disqualified who willfully occupies an office as a member of the board and exercises the power and duties of that office is guilty of a felony or a class A misdemeanor.

SECTION 7. As used in this section, "developer of property in the district" means any person who owns land located within a district covered under this section and who has divided or proposes to divide the land into two or more parts for the purpose of laying out any subdivision or any tract of land or any addition to any town or city, or for laying out suburban lots or building lots, or any lots, streets, alleys, or parks or other portions intended for public use, or the use of purchasers or owners of lots fronting thereon or adjacent thereto.

SECTION 8. Any rights obtained by any third party through official action of a board covered by this section are not impaired or affected by the disqualification under this section of any member of the board to serve, provided that the third party had no knowledge at the time the rights were obtained of the fact that the member of the board was disqualified to serve.

SECTION 9. An annual meeting of the Board of Directors shall be held at the principal office of the District in October of each year, at 1:30 o'clock p.m., or at such time and place as

shall be fixed by the consent in writing of all of the Directors. All other meetings may be held either within or without the State of Texas.

SECTION 10. Written notice of each annual and regular meeting shall be given the public in accordance with Section 551.000, *et. seq.*, Texas Government Code Ann., to each Director, not less than three nor more than fifteen days in advance of each such meeting.

SECTION 11. Emergency meetings of the Board may be called by the President or the Secretary upon written request of at least two Directors on two hours' notice only if immediate action is required because of an imminent threat to public health or safety or a reasonably unforeseeable situation.

SECTION 12. At all meetings of the Board, the presence of a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the Directors present at any meeting at which a quorum is in attendance shall be the act of the Board of Directors and of the District, except as may be otherwise specifically provided by law or by these By-Laws. If a quorum shall not be present at any meeting of the Directors, the Directors present may recess the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 13. A meeting of the Directors may be held at any time without notice upon the execution by all Directors of a written waiver of notice executed either before or after the time of such meeting. In addition, meetings may be held without notice and without the necessity of obtaining a written waiver thereof if all of the Directors are present at any such meeting.



## COMMITTEES OF DIRECTORS

SECTION 14. The Board of Directors may by resolution or resolutions adopted by a majority of the entire membership of the Board, designate one or more committees, with each committee to consist of two or more of the Directors of the District which, to the extent permitted by law and provided in said resolution or resolutions, when the Board is not in session, shall have and exercise the powers of the Board of Directors in the management of the business and affairs of the District, and may have power to authorize the seal of the District to be affixed to all papers which may require it. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors.

SECTION 15. The committees shall keep regular minutes of their proceedings and report the same to the Board at appropriate times and when requested by the Board.

SECTION 16. Other committees not having and exercising the authority of the Board of Directors in the management of the District may be designated and appointed by a resolution adopted by a majority of the Directors at a meeting at which a quorum is present, or by the President thereunto authorized by a like resolution of the Board of Directors. Membership on such committees may, but need not be, limited to Directors.

## COMPENSATION OF DIRECTORS

SECTION 17. Directors, as such, shall not receive any compensation for their services; however, by resolution of the Board, reimbursement for expenses of attendance may be allowed for attendance at the annual or at each regular, special, or emergency meeting of the Board. Members of special or standing committees may be allowed like reimbursement for attending committee meetings.

SECTION 18. Any vacancy occurring in either Class I or Class II of the Board of Directors, caused by resignation, removal or death shall be filled by the affirmative vote of a majority of the remaining Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

#### ARTICLE IV

##### NOTICES

SECTION 1. Whenever by any law or by these By-Laws, notice is required to be given to any Director, it shall not be construed to mean personal notice, but any such notice may be given in writing, by first-class mail, addressed to such Director at such address as appears on the books of the District, and any such notice shall be deemed to be given at the time when the same shall be thus mailed.

SECTION 2. Whenever any notice is required to be given by law or by these By-Laws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

#### ARTICLE V

##### OFFICERS

SECTION 1. The officers of the District shall be selected and appointed by the Board of Directors. The Board of Directors shall choose from its members a President, a Vice President, a Secretary and a Treasurer.

SECTION 2. The Board of Directors shall choose such officers at its annual meeting and at each annual meeting thereafter.

SECTION 3. The officers of the District chosen pursuant to Section 2 shall serve until the next annual meeting of the Board of Directors and until their successors are chosen and qualify.

SECTION 4. The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

SECTION 5. The salaries of all employees and agents of the District shall be fixed by the Board of Directors; provided the salaries shall not exceed limitations placed thereon by law.

SECTION 6. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the entire membership of the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

#### The President

SECTION 7. The President is the Chief Executive officer of the District, shall preside at all meetings of the Directors and shall only vote on matters that come before the Board of Directors to break a deadlock .

SECTION 8. The President shall be an ex-officio member of all standing committees, shall have general supervision of the management of the business of the District, and shall see that all orders and resolutions of the Board are carried into effect.

SECTION 9. The President shall execute all documents of the District including bonds, mortgages and other contracts requiring a seal, under the seal of the District, except where required or permitted by law to be otherwise signed and executed and except where the signing

and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the District.

#### Vice President

SECTION 10. The Vice President shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board of Directors shall prescribe.

#### The Secretary and Assistant Secretary

SECTION 11. The Secretary or Assistant Secretary is responsible for seeing that all records and books of the District are properly kept and may attest the President's signature on documents. The Secretary or Assistant Secretary shall attend all sessions of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for all standing committees when required. The Secretary or Assistant Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and shall perform such other duties as may be prescribed by the Board of Directors or President, under whose supervision the Secretary shall be. The Secretary or an Assistant Secretary shall keep in safe custody the seal of the District and, when authorized by the Board, affix the same to any instrument requiring it and, when so affixed, it shall be attested by him.

#### The Treasurer

SECTION 12. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in a depository designated by the Board of Directors. The Treasurer shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for

such disbursements, and shall render to the President and the Board of Directors, at the regular meetings of the Board, or whenever they may require, an account of all transactions as Treasurer and of the financial condition of the corporation.

SECTION 13. The Board of Directors shall give bonds in such sums and with such surety or sureties as shall be satisfactory under the laws for the faithful performance of the duties of their offices and for the restoration to the District, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the District.

SECTION 14. As soon as practicable after a Director is elected or appointed that Director shall make the sworn statement prescribed by the Texas Constitution for public office.

## ARTICLE VI

### FISCAL PROVISIONS

SECTION 1. No dividend shall be paid and no part of the net income or profits of the District, whether realized or unrealized, shall ever inure to the benefit of, or be distributed to, any private person, association, or District whatsoever, nor shall any salary, compensation or any other pecuniary advantage whatsoever be paid or given to any Director or officer, nor shall any such person be assigned any duties that would constitute employment.

SECTION 2. The District, to the extent and in the manner permitted by law, in the exercise and pursuit of its corporate purposes, shall have the full power and authority to incur debt and to secure the payment of same in any manner permitted by law and to the extent agreed by the District any lender or lenders to the same.

ARTICLE VII

SEAL

SECTION 1. The corporate seal shall be as prescribed and adopted by the Board of Directors. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. The imprint of this seal thus prescribed and adopted is affixed opposite to this Section.

ARTICLE VIII

AMENDMENTS

SECTION 1. These By-Laws may be altered, changed or amended at a meeting, the notice of which contains a statement of the proposed alteration, change or amendment, by the affirmative vote of not less than four-fifths of the entire membership of the Board of Directors.

Certification

THE UNDERSIGNED, Secretary of Ector County Utility District, hereby certifies that the foregoing is a true and correct copy of the Restated By-Laws, as amended, of said District as adopted by its Board of Directors at a Regular Meeting duly and lawfully called, convened and held on the 13<sup>th</sup> day of February, 2019.



(SEAL)

ECTOR COUNTY UTILITY DISTRICT

By: *Margaret Burton*  
Secretary

# *Certification*

THE UNDERSIGNED, Secretary of Ector County Utility District, hereby certifies that the foregoing is a true and correct copy of the Restated By-Laws, as amended, of said District as adopted by its Board of Directors at a Regular Meeting duly and lawfully called, convened and held on the 14<sup>th</sup> day of June 2023 and 11<sup>th</sup> day of October 2023.

ECTOR COUNTY UTILITY DISTRICT

  
Secretary

ARTICLE II  
MANAGEMENT OF DISTRICT

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