Amended and Restated By-Laws
Of
Gulf Coast Water Authority

Adopted July 19, 2007;
Amended December 20, 2012;
Amended April 16, 2015;
Amended April 21, 2016;
Amended February 13, 2020; and
Amended August 19, 2021

ARTICLE I
BOARD OF DIRECTORS

Section 1. Number and Term of Office; Appointment. The management and control of the Authority is vested in its Board of Directors, which shall have all of the rights, powers, privileges, and authority set out in Article 8280-339, Vernon's Texas Civil Statutes, as now or hereafter amended, and under the other laws of the State of Texas. See gulfcoastwaterauthority.com

a) The Board of Directors shall consist of ten directors. Each director shall be appointed and shall serve a term of office as provided by Article 8280-339.

Directors whose terms end August 31, Even Number Years:
*Brazoria County Agricultural Position No. 1;
*Brazoria County Industrial Position No. 1;
*Fort Bend County At Large Position No. 1;
*Galveston County At Large Position No. 2; and
*Galveston County Industrial Position No. 2.

Directors whose terms end August 31, Odd Number Years:
*Brazoria County Municipal Position No. 1;
*Fort Bend County Municipal Position No. 1;
*Galveston County At Large Position No. 1;
*Galveston County Industrial Position No. 1; and
*Galveston County Municipal Position No. 1.

b) Each director shall serve for the term for which the director is appointed and until a successor is appointed and qualified.

Section 2. Meetings of Directors. Regular meetings of the Board will be held at the Authority's principal office (as defined in Article V, Section 1 below), or at such other place as the Board may from time to time designate. The Board may hold special meetings at the place designated in the notice of such meeting.

Section 3. Election of Officers. At the first regular board meeting after September 1 or a later date as established by the Board, the Board of Directors shall elect the officers of the Board.
Section 4. Regular Meetings. Regular meetings of the Board of Directors shall be held on the third Thursday of each month, or such other date as may be established by the Board from time to time and recorded in its minutes.

Section 5. Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the President or by no less than three of the directors.

Section 6. Notice. Notice of all meetings of the Authority and its committees shall be posted in accordance with applicable law. Except as may be allowed by law, an item may not be considered unless it is posted as part of a meeting agenda or supplemental meeting agenda. Agendas for Board meetings are prepared and posted by the General Manager or the General Manager's designee, and no items may be placed on an agenda unless approved by the General Manager, President, or three board members; provided that, agendas for Board committees must additionally be approved by the applicable committee chairman.

Section 7. Quorum; Conflicts of Interest.

a) Quorum. Six directors shall constitute a quorum for the transaction of business. If at any meeting of the Board there be less than a quorum present in person and by telephone conference call or videoconference call, then a majority of those present or any director solely present, may adjourn the meeting from time to time without further notice. The act of a majority of those present, whether in person or by telephone conference call or videoconference call, and qualified to vote shall be the act of the Board of Directors unless the act of a greater number is required by law.

b) Conflicts of Interest.

1) If a director, or a person related to the director in the first degree by consanguinity or affinity has a substantial interest in a business entity or in real property, including a contract for the purchase of property or the construction of a facility, then the director shall disclose the interest to the Board before a vote or decision on a matter affecting the interest by filing an affidavit describing the interest. Texas Local Government Code Chapter 171.

2) A director shall refrain from participation in a matter in which the director has a substantial interest, as defined by Texas Local Government Code Chapter 171, unless the director is a director appointed to represent agricultural or industrial interests.

3) Provided, further, any director, including a director appointed to represent an agricultural or industrial interest, who has a financial interest in a contract considered by the Board for the purchase of property or the construction of a facility must disclose the interest to the Board and may not vote on the contract.

Section 8. Order of Business. The Board of Directors is the sole judge of its own procedure and in full control of the business before it. At meetings of the Board of Directors, business shall be transacted in such order as from time to time the Board may determine.

At all meetings of the Board of Directors, the President shall preside. In case of the absence or disability of the President, the President shall be succeeded in order by the Vice President, the Secretary, the Treasurer, and the Assistant Secretary, who shall act as President. In case of the
absence or disability of all of the above-named officers, the Board shall vote for one of its members to preside over the meeting. Any action taken by the Vice President, Secretary, Treasurer or Assistant Secretary in the performance of the duties of President shall be conclusive evidence of the absence or inability to act, at the time such action is taken, of the officer or officers otherwise authorized to perform the duties of President.

Section 9. **Public Participation.** Meetings of the Board and Board committees are open to the public, except where a closed meeting is authorized by law. A speaker may address the Board or Board committee during the public comment portion of the agenda. Such designated time shall not exceed three (3) minutes per person. The President, or presiding officer, shall retain the discretion to further limit or increase this time for public comments on agenda items. Employees, customers, and consultants of the Authority requested by the General Manager or a Board Member may be recognized at any time by the presiding officer of the Board or Board committee meeting without restriction. These rules regarding speaker participation may be suspended by a majority vote of the Board, or the Board committee, as applicable.

Section 10. **Compensation, Expenses.** Directors are entitled to receive compensation as permitted in accordance with Texas Water Code § 49.060. Each director is entitled to receive reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the Authority. In order to receive fees of office and to receive reimbursement for expenses, each director shall file with the General Manager a verified statement showing the number of days actually spent in the service of the Authority, and a general description of the duties performed for each day of service. To receive reimbursement of actual expenses reasonably and necessarily incurred while traveling on Authority business, the director must follow and abide by the Authority's Board Travel Policy.

Section 11. **Decorum.** Each member of the Board shall be permitted to speak upon recognition by the President, and, after recognition, shall not be interrupted while speaking without the President's consent. Any member who fails to observe decorous and orderly behavior during a meeting, or who disturbs a meeting of the Board or committee with such disorderly conduct is subject to reprimand, discipline or expulsion from the meeting, upon 2/3 vote of the Board.

Section 12. **Handling of Questions of Order.** All questions of order shall be decided by the President, with the right of appeal of the President's decision by the Board. A majority of the Board may overrule the decision of the President.

Section 13. **Motion to Table.** A motion to table, when carried, does not permanently defeat a motion or other measure. If such motion or measure is tabled by a majority vote of the Board, such motion or measure, if not sooner removed from the table, must be removed at the third subsequent meeting and acted upon, even if only to place the item on the table again.
ARTICLE II
OFFICERS

Section 1. Number, Titles and Terms of Office. The officers of the Authority shall be President, Vice President, Secretary, Treasurer and Assistant Secretary. Each officer shall hold office until the officer's successor shall have been duly elected and qualified.

Section 2. Vacancies. A vacancy in the office of any officer may be filled by vote of a majority of the directors for the unexpired portion of the term.

Section 3. Powers and Duties of the President. The President shall preside at all meetings of the Board of Directors and shall execute all documents that require approval by the Board of Directors except when such authority is specifically delegated by the Board to the General Manager or other officer or employee.

Section 4. Vice President. The Vice President shall have such powers and duties as may be assigned to the Vice President by the Board of Directors and shall exercise the powers of the President during that officer's absence or inability to act.

Section 5. Secretary; Assistant Secretary. The Secretary (the "Secretary") may sign with the President in the name of the Authority all contracts of the Authority and may affix the official seal of the Authority thereto; and the Secretary shall in general perform all duties incident to the office of Secretary subject to the control of the Board of Directors, including attending any training required by law. The Assistant Secretary shall exercise the powers of the Secretary during the Secretary's absence or inability to act.

Section 6. Treasurer. The Treasurer shall in general perform all duties incident to the office of Treasurer subject to the control of the Board of Directors, including attending any training required by law. The Treasurer shall serve as Chair of the Board Finance and Insurance Committee.

Section 7. General Manager. The Board may employ a General Manager to be the Chief Executive Officer of the Authority and give the General Manager full authority in the management and operation of the affairs of the Authority subject only to the orders of the Board. The authority granted to the General Manager shall include, but is not limited to, the following:

a) the negotiation of contracts;
b) to be the Authority's representative in all legal matters;
c) the implementation of all policies and direction approved by the Board;
d) speaking publicly on behalf of the Authority;
e) representing the Authority before all public agencies;
f) preparation of the annual budget and presentation to the Board;
g) to be the final authority in all personnel matters including application of personnel policies and pay plan as approved by the Board;
h) responsibility for all financial and accounting matters, including the authority to make purchases up to $75,000 without Board approval.

i) The General Manager or a designee of the General Manager shall act as clerk to the Board. The clerk shall cause the minutes of each meeting of the Board to be kept and filed.

The term, compensation, and duties, of the General Manager may be set out in an agreement executed by the Board and the General Manager.

**ARTICLE III**

**BOARD COMMITTEES**

**Section 1. Appointment.** The President may from time to time appoint committees of the Board for the purpose of considering particular matters related to the Authority and its operations. Such committees may be standing committees which continue in existence or ad hoc committees which cease to exist when the purpose for which that are appointed has been accomplished. All appointments to Board committees shall be recorded in the minutes of the Board. Committee membership is limited to Board members.

The Board committees shall have no power to act on behalf of the Board. The powers of Board committees shall be limited to making such reports and recommendations to the Board at posted Board meetings where a quorum is present, together with an explanation of the reasons for any such recommendation. Decisions on matters referred to Board committees shall be made only by the Board of Directors. Each committee is responsible for recording its own minutes and forwarding same to staff for distribution to all Board members in a timely manner.

Board committees should meet only as needed and as called by the Committee Chairperson.

The standing Board committees are the Capital Projects Review, Finance and Insurance, Long Range Planning, and Personnel and Compensation committees. The standing Board committees are created for the following purposes:

a) Capital Projects Review Committee - Purpose Statement - To review with staff engineering reports and capital improvement projects and make recommendations in a posted meeting of the Board.

b) Finance and Insurance Committee - Purpose Statement - To review with staff quarterly financial reports, and review audit reports prepared by external auditors, and annually review the Board’s investment policies, and make recommendations in a posted meeting of the Board.

c) Long Range Planning Committee - Purpose Statement - To assess the long range organizational, management, and planning needs of the Authority, and recommend modifications and/or additions in a posted meeting of the Board.

d) Personnel and Compensation Committee - Purpose Statement - To review personnel policies and benefits, accident and incident reports, employee safety training programs and safety policies, and make recommendations in a posted meeting of the Board.
Section 2. **Composition.** Board committees shall be composed of not less than three nor more than five Board Members, one of whom shall be designated as Chairman by the President of the Board, except for the Finance and Insurance Committee which shall be chaired by the Treasurer. Vacancies on a Board committee shall be filled by appointment by the President of the Board.

Section 3. **Proceedings and Powers.** Board committees may meet at such times and places as the committee members may determine and the members of each committee shall determine the order of business at its meetings.

**ARTICLE IV**

**CUSTOMER COMMITTEES**

Section 1. **Standing Customer Operating Advisory Committees.**

a) The Authority has four customer operating advisory committees: the Industrial Operating Advisory Committee and the Municipal Division Operating Advisory Committee, Agricultural Advisory Committee and the West Customer Advisory Committee.

b) Industrial Operating Advisory Committee. The Industrial Operating Advisory Committee is a standing customer advisory committee which is established by contract, and is composed of one representative of each industrial customer of the Authority in Galveston County. The name of the representative of each industrial customer shall be submitted to the Authority as their official representative. The representative of the industrial customer to the Industrial Operating Advisory Committee shall also be the representative of such customer to the standing Industrial Advisory Committee described above unless such customer chooses to appoint a different representative. Each representative shall serve at the pleasure of the appointing customer and shall serve until the appointing customer appoints a successor or notifies the Authority that a representative will no longer be the representative of such appointing customer. The Authority will solicit the advice and counsel of this Committee in regard to the operation, maintenance, repair, replacement, and enlargement of the Industrial System. This Committee will be advised on matters involving the GCWA Canal Systems. The Authority will also provide this Committee with drafts of any contracts for the purchase of additional long-term water supplies for the Industrial Customers, and drafts of the annual budget, both prior to consideration by the Authority's Board of Directors.

c) Municipal Division Operating Advisory Committee. The Municipal Division Operating Advisory Committee is a standing customer advisory committee which is established by contract, and is composed of one representative of each municipal or water district customer of the Authority's Thomas Mackey Water Treatment Plant. The name of the representative of each eligible municipal or water district customer shall be submitted to the Authority as their official representative. Each representative shall serve at the pleasure of the appointing customer and shall serve until the appointing customer appoints a successor or notifies the Authority that a representative will no longer be the representative of such appointing customer. The Authority will solicit the advice and counsel of this Committee in regard to the operation, maintenance, repair, replacement, and enlargement of the Mainland Water System which serves all customers within Galveston County. This Committee will be advised on matters involving the GCWA Canal Systems. The Authority will also provide this Committee with drafts of any contracts for the purchase of additional long-term water supplies for the Municipal Division, and, drafts of the annual budget, both prior to consideration by the Authority's Board of Directors.
d) West Customers Advisory Committee. The West Customers Advisory Committee is a standing customer advisory committee which is established by the Board of Directors to be advised on matters involving the GCWA Canal Systems that provide water for municipal, and industrial, purposes in Fort Bend and Brazoria Counties. The name of the representative of each eligible municipal, water district, and industrial customer shall be submitted to the Authority as their official representative. Each representative shall serve at the pleasure of the appointing customer and shall serve until the appointing customer appoints a successor or notifies the Authority that a representative will no longer be the representative of such appointing customer. Additionally, the West Customers Committee shall be advised on additional long-term water supplies for Fort Bend and Brazoria County customers, and, drafts of the annual budget, both prior to consideration by the Authority's Board of Directors.

e) Agriculture Advisory Committee. The Agricultural Advisory Committee is a standing customer advisory committee which is established by the Board of Directors to be advised on matters involving the GCWA Canal Systems that provide water for irrigation purposes in Galveston, Fort Bend, and Brazoria Counties. Active farmers who have contracted for irrigation water with the Authority at least once in the previous three years may vote among themselves and select five farmers as their representatives to the Agricultural Committee. The names shall be submitted to the Authority as their official representatives. Each representative shall serve at the pleasure of the appointing farmers and shall serve until the appointing farmers appoints a successor or notifies the Authority that a representative will no longer be their representative. The Agricultural Advisory Committee may advise the Board regarding the quantity of interruptible stored water needed for the upcoming planting season.

Section 4. Other Committees. The Board may from time to time establish other customer advisory committees on such terms and conditions as the Board may determine.

ARTICLE V
MISCELLANEOUS PROVISIONS

Section 1. Offices. Until the Board of Directors otherwise determines, the principal Office of the Authority shall be at 3630 Highway 1765, Texas City, Texas, but such office may be changed from time to time by the Board of Directors in the manner provided by law. The records of the District shall be maintained at such office. The Board may establish other offices of the Authority from time to time.

Section 2. Fiscal Year. The fiscal year of the Authority shall be such annual period as the Board of Directors shall, by resolution, establish.

Section 3. Seal. The seal of the Authority shall be in such form as from time to time may be approved by the Board of Directors.

ARTICLE VI
AMENDMENTS

These by-laws may be altered, amended, or repealed by the affirmative vote of a majority of the full Board of Directors at any regular or special meeting, provided notice of said proposed amendment is contained in the notice of meeting.