

**BYLAWS**

**OF THE**

**BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC.**

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**BYLAWS  
OF THE  
BRUSHY CREEK REGIONAL UTILITY AUTHORITY, INC.**

**ARTICLE I  
PURPOSES AND PROHIBITIONS**

**Section 1.01 General Purpose**

(a) The Brushy Creek Regional Utility Authority, Inc. (the “Corporation”) is formed pursuant to the provisions of Subchapter D, Chapter 431, Texas Transportation Code (the “Act”) as it now or may hereafter be amended, which authorizes the Corporation to assist and act on behalf of the cities of Cedar Park, Leander, and Round Rock, (the “Cities”), to accomplish any governmental purpose of the Cities and to engage in activities in the furtherance of the purposes for its creation.

(b) Pursuant to the Act, the Corporation is created as a local governmental corporation and shall be a governmental unit within the meaning of Subdivision (2), Section 101.001, Texas Civil Practice and Remedies Code. The operations of the Corporation are governmental and not proprietary functions for purposes of the Texas Tort Claims Act, Section 101.001 et seq., Texas Civil Practice and Remedies Code. The Corporation shall have the power to acquire land in accordance with the Act as amended from time to time.

(c) The Corporation shall have and exercise all of the rights, powers, privileges, authority, and functions, now or hereafter, given by the general laws of the State of Texas to non-profit corporations incorporated under the Act including, without limitation, the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq., Vernon’s Texas Civil Statutes.

(d) The Corporation shall have all other powers of a like, or different nature not prohibited by law which are available to non-profit corporations in Texas, and which are necessary or useful to enable the Corporation 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.

(e) The Corporation shall perform such other governmental functions and purposes of the Cities as may be determined from time to time by the Cities.

### **Section 1.02 Primary Purpose**

The primary purpose of the Corporation to aid, assist, and act on behalf of the Cities in the performance of their governmental functions to promote the common good and general welfare of the Cities, including, without limitation, the financing, construction, acquisition, maintenance, and operation of regional utility systems including raw water transmission, treatment and distribution, wastewater collection and treatment, and water reuse systems, (the “System”)

### **Section 1.03 Prohibitions**

The Corporation shall not undertake any of the following actions:

- 1) contract for or own any interest in raw surface or underground water;
- 2) provide or convey potable or raw water service to any customer;
- 3) take any action that would result in it being an “affected utility” as defined by Texas Water Code, Sections 13.1394 and/or 13.1395; and
- 4) accept compensation for supplying water to another person or entity for resale to the public for human consumption, and/or operate as a Wholesale Public Water Supplier as defined by TAC Title 30, Part 1, Chapter 288, Subchapter A, Rule 288.1.

## **ARTICLE II BOARD OF DIRECTORS AND MEETINGS**

### **Section 2.01. Number of Directors**

All powers of the Corporation shall be vested in the Board of Directors (the “Board”). The Board shall consist of six (6) persons. Each City shall be represented by two (2) Directors appointed by the respective City Council. The number of Directors may subsequently be either increased or decreased in accordance with the provisions of Article VI of the Articles of Incorporation of the Corporation.

### **Section 2.02. Classes and Qualifications of Directors**

- (a) There shall be two classes of Directors. One class is designated as the “Council Director,” and the other class is designated as the “Citizen Director.”
- (b) The Council of each City shall appoint either its Mayor or a Council member to be that city’s Council Director.
- (c) In addition, the Council of each City shall appoint a Citizen Director who shall possess at least one of the following qualifications, (i) the Mayor, (ii) a Council member, (iii) an employee of the City, (iv) a resident of the City, or (v) a water customer of the City.
- (d) In the event a City appoints two of its City Council members as Directors, such City Council shall designate which of its appointees is the Council Director and which is the Citizen Director.

### **Section 2.03 Term of Directors**

- (a) Except as provided in (b) below, the term of each appointed Director shall be two (2) years. Upon the expiration of the term of office of a Director, the City Council shall appoint a Director as stated above.
- (b) The terms of the Directors who hold office on the date these Bylaws are amended shall expire on June 30, 2026.

## **Section 2.04 Failure to Maintain Qualifications of Directors**

- (a) When any Council Director ceases to hold his/her elected position as the Mayor or Council member of a City, said Council Director shall be deemed to have resigned as Council Director and the City Council of said City shall appoint a qualified replacement Council Director to fill the unexpired term.
- (b) When any Citizen Director ceases to hold at least one of the qualifications of a Citizen Director, as set forth in Section 2.02(c) said Citizen Director shall be deemed to have resigned as Citizen Director and the City Council of said City shall appoint a qualified replacement Citizen Director to fill the unexpired term.

## **Section 2.05 Resignation or Removal**

- (a) Any Director may be removed at will by a majority vote of the City Council that made such appointment, and such City Council shall appoint a new qualified Director to complete the unexpired term.
- (b) In the event that a Director resigns, then such Director shall be considered removed from the Board and the appropriate City Council shall appoint new qualified Director to complete the unexpired term.

## **Section 2.06 Meetings of Directors**

The Directors may hold their meetings and may have an office and keep the books of the Corporation at such place or places as the Board may from time to time determine.

The Board shall meet in accordance with and file notices of each meeting of the Board as is required by Chapter 551, Government Code (the “Open Meetings Act”).

The Corporation, and the Board, are subject to Chapter 552, Government Code, and (the “Public Information Act”).

## **Section 2.07 Regular Meetings**

Regular meetings of the Board shall be held at such times and places as shall be designated, from time to time, by a resolution of the Board or as called by the General Manager.

## **Section 2.08 Special and Emergency Meetings**

Special and emergency meetings of the Board shall be held whenever called by the President of the Board, by a majority of the Council Directors, or by the General Manager.

The General Manager shall give notice to all Directors of each special meeting at least seventy-two (72) hours before the meeting.

## **Section 2.09 Quorum**

Four Directors, being a majority of the Board, shall constitute a quorum for the consideration of matters pertaining to the purposes of the Corporation.

## **Section 2.10 Voting**

Each City, acting through its Council Director, shall be entitled to one vote on each matter to come before the Board. In the absence of the Council Director at a meeting, the Citizen Director, if present, shall be entitled to vote and the vote of the Citizen Director of such City shall constitute the vote of the City. Except as provided below, the affirmative votes of at least two Cities present and voting at a meeting shall constitute a binding act of the Board.

The affirmative votes of all three Cities shall be required to approve the following matters:

- 1) The amendment of the Articles of Incorporation;
- 2) The amendment of these Bylaws; and
- 3) The addition of new members to the Corporation.



## **Section 2.11 Conduct of Business**

- (a) At the meetings of the Board, matters pertaining to the business of the Corporation shall be considered in such order as the President, or a majority of the voting Directors may determine.
- (b) At all meetings of the Board, the President shall preside, and in the absence of the President, the Vice-President shall preside. In the absence of the President and the Vice-President, the Secretary shall preside.
- (c) An employee of one of the Cities shall act as the administrative secretary of all meetings of the Board, but in the absence of such employee, the General Manager may appoint any person to act as secretary of the meeting.

## **Section 2.12 Compensation of Directors; Reimbursement for Expenses**

Directors shall not receive any salary or compensation for their services as Directors. Directors shall be reimbursed for their actual expenses incurred in the performance of their duties as Directors.

## **ARTICLE III OFFICERS**

### **Section 3.01 Titles and Term of Office**

The officers of the Corporation shall be a President, a Vice-President, and a Secretary. The President shall also serve as Chairperson of the Board and the Vice-President shall serve as Vice-Chairperson of the Board. The Secretary shall attest to the President's or Vice-President's signature on all official documents of the Corporation. The term of the officers in place on the date of the adoption of these amended Bylaws shall expire on July 1, 2025. Thereafter, the term of office for each officer shall be one (1) year.

### **Section 3.02 Selection of Officers**

Only the three Council Directors are eligible to serve as officers. It is the intent of the Cities that the officer duties be shared equally among the three Cities. Accordingly, the officers of the Board will rotate among the three Cities every year as set forth below:

<u>Year One</u>	<u>(July 1, 2024-June 30, 2025)</u>
President	Leander's Council Director
Vice-President	Cedar Park's Council Director
Secretary	Round Rock's Council Director

<u>Year Two</u>	<u>(July 1, 2025-June 30, 2026)</u>
President	Cedar Park's Council Director
Vice-President	Round Rock's Council Director
Secretary	Leander's Council Director

<u>Year Three</u>	<u>(July 1, 2026-June 30, 2027)</u>
President	Round Rock's Council Director
Vice-President	Leander's Council Director
Secretary	Cedar Park's Council Director

Thereafter, the officers shall continue to rotate among the three Cities on the same three-year cycle as set forth above.

### **Section 3.03 Powers and Duties of the President**

The President shall be a Council Director of the Board and shall preside at all meetings of the Board. When authorized by the Board, the President shall sign and execute all resolutions, bonds, notes, deeds, conveyances, franchises, assignments, mortgages, contracts, and other documents in the name of the Corporation. The President shall have such other duties as are assigned by the Board. The President may call special and emergency meetings of the Board.

### **Section 3.04 Powers and Duties of the Vice-President**

The Vice-President shall perform the duties and exercise the powers of the President upon the President's death, absence, disability, or resignation, or upon the President's inability to perform the duties of

his or her office. Any action taken by the Vice-President in the performance of the duties of the President shall be conclusive evidence of the absence or inability to act of the President at the time such action was taken. The Vice-President shall have such other powers and duties as may be assigned to him or her by the Board.

### **Section 3.05 Secretary**

The Secretary shall, subject to the limitations contained in the Articles of Incorporation, sign with the President in the name of the Corporation and/or attest the signatures thereof, all resolutions, contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation; and, he or she shall, in general, perform all duties incident to the office of Secretary subject to the control of the Board. The Board shall have the discretion to delegate some or all of the Secretary's duties to one or more staff members of the Corporation or of the three Cities.

### **Section 3.06 Compensation**

Officers are not entitled to compensation except as otherwise provided in Section 2.12 of these Bylaws.

## **ARTICLE IV OPERATIONS COMMITTEE**

### **Section 4.01 Composition of Operations Committee**

To assist the General Manager and the Board, there is hereby created an Operations Committee to be composed of the following:

- (a) Two representatives appointed by Cedar Park;
- (b) Two representatives appointed by Leander; and
- (c) Two representatives appointed by Round Rock.

Each City shall have one vote for decision-making purposes on the Operations Committee.

The City Manager of each City shall appoint two appropriate City staff members as the City's representatives to the Operations Committee and

shall notify the Board and the other Cities of such appointments. Each representative shall serve at the will of the City Manager who appointed such representative. Upon the death, resignation or revocation of the power of a City's representative, the City Manager of such City shall promptly appoint a new representative to the Operations Committee.

#### **Section 4.02 Responsibility of Operations Committee**

The Operations Committee shall represent the individual and collective interests of the Cities and shall consult with and advise the Board and the General Manager with regard to the following matters pertaining to the System:

- (a) The operation and maintenance of the System operated by the Corporation;
- (b) Review of the Annual Budget, prior to submission to the Board;
- (c) Review of the annual reports of the System;
- (d) Review proposals for the improvements to and expansions of the System;
- (e) Review and make suggestions regarding proposals submitted to the Board for engineering services related to the System;
- (f) Review bids or proposals received for construction of System components, and make recommendations for contract award;
- (g) Review invoices received for the construction of System components, and make recommendations for the allocation and payment of such invoices;
- (h) Make recommendations for professional services consultants, including, but not limited to, engineering and financial services;
- (i) Review and make recommendations regarding BCRUA personnel matters, such as recruitment, selection, compensation, training and disciplinary matters, as requested by the General Manager;
- (j) Review changes to the Engineering Reports;
- (k) Review cash flow projections and provide input as to the assumptions contained therein; and

- (l) Any other pertinent matters relating to the management and operation of the System.

### **Section 4.03 Operations Committee Recommendations**

The Board shall not take any action with respect to any of the foregoing matters without a recommendation from the Operations Committee. The Operations Committee shall meet at regular intervals to review the progress of construction of the System and the ongoing operation of the System. The Operations Committee shall have access to and may inspect at any reasonable time all physical elements of the System and all records and accounts of BCRUA pertaining to the System. The Operations Committee shall be diligent, prompt, and timely in reviewing and commenting on matters submitted to it.

## **ARTICLE V GENERAL MANAGER AND GENERAL COUNSEL**

### **Section 5.01 General Manager**

The Board shall appoint the General Manager. The method of selection shall be left to the discretion of the Board so long as the method ensures orderly action toward securing a competent and qualified person to fill the position. The General Manager shall be chosen solely upon the basis of such person's executive and administrative training, experience and ability.

### **Section 5.02 Compensation**

The General Manager shall receive compensation as may be fixed by the Board according to his or her experience, education, and training. The compensation shall be agreed upon before appointment with the understanding that the Board may periodically review and modify the compensation at its discretion.

### **Section 5.03 Term and Removal**

The General Manager shall not be appointed for a definitive term but may be removed at the discretion of the Board. The action of the Board in suspending or removing the General Manager shall be final.

### **Section 5.04 Powers and Duties**

The General Manager shall be the Chief Administrative Officer of the Corporation, and shall be responsible to the Board for the proper administration of all the affairs of the Corporation and to that end shall have the power and shall be required to:

- (a) appoint, suspend or remove all or any one of the employees of the Corporation;
- (b) attend all meetings of the Board, and shall have the right to take part in the discussions;
- (c) prepare the Annual Budget and submit it to the Board and be responsible for its administration after its adoption;
- (d) prepare and submit to the Board at the end of the fiscal year a complete report on the finances of the Corporation for the preceding year;
- (e) keep the Board advised of the financial condition and future needs of the Corporation and make such recommendations as may seem advisable;
- (f) perform such other duties as may be prescribed by these Bylaws, or required by the Board, as consistent with these Bylaws.

### **Section 5.05 General Counsel**

The Board shall designate a competent and duly licensed attorney practicing law in the state of Texas, who shall be the General Counsel. The General Counsel may be an attorney that represents one of the Cities. The General Counsel shall hold office at the pleasure of the

Board. The General Counsel shall be the legal advisor of, and attorney and counsel for the Board and the General Manager.

The Board may designate one or more Assistant General Counsels.

## **ARTICLE VI FISCAL YEAR AND BUDGETS**

### **Section 6.01 Fiscal Year**

The fiscal year of the Corporation shall commence on October 1<sup>st</sup> of each year and end on September 30<sup>th</sup> of the following year.

### **Section 6.02 Annual Budget**

At least sixty (60) days prior to October 1<sup>st</sup> of each year, the Board shall prepare and adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year, such budget referred to herein as the “BCRUA Annual Budget.” The BCRUA Annual Budget shall include an Operating Expense Budget, a Capital Improvements Budget, and a Debt Service Budget. The Annual Budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the City Councils. The BCRUA Annual Budget proposed for adoption shall include the projected expenses, and such other budgetary information as shall be required by the City Councils for their approval and adoption. The BCRUA Annual Budget shall be considered adopted upon formal approval of all three City Councils. Should any of the City Councils take no final action on or before October 1<sup>st</sup>, the proposed BCRUA Annual Operating Budget shall be deemed to have been finally adopted by such City Council.

## **ARTICLE VII AMENDMENTS**

### **Section 7.01 Amendments**

A proposal to alter, amend, or repeal these Bylaws shall be made by the affirmative vote of all the Council Directors (or in the absence of a Council Director, the vote of the Citizen Director) at any annual or regular meeting, or at any special meeting if notice of the proposed

amendment be contained in the notice of said special meeting. However, any proposed change or amendment to the Bylaws must be approved by all three City Councils to be effective.

## **ARTICLE VIII CONSENT OF CITY COUNCILS**

### **Section 8.01 Council Consent**

To the extent that these Bylaws refer to approval by the Cities or refer to advice and consent by the Cities, such approval or advice and consent shall be evidenced by a certified copy of a resolution or other official action duly adopted by each of the City Councils. There shall be no implied consent, obligation or liability to the Cities by any action of the Corporation.

## **ARTICLE IX DISTRIBUTION OF NET INCOME**

### **Section 9.01 Distribution of Net Income**

Unless otherwise determined by the City Councils in accordance with the provisions of Section 431.107 of the Transportation Code, any income earned by the Corporation after payment of reasonable expenses, debt, and the establishment of a reserve sufficient to cover estimated expenditures for future activities, shall either be retained by the Corporation or distributed to the Cities in an equitable manner to be determined by the three City Councils taking into consideration the relative use of the Facilities and the initial capital investments of the respective Cities. In the event that the Facilities cease to operate, the three City Councils may either direct that (a) the Corporation retain such income, but only in such a manner so as to ensure compliance with all then applicable federal tax law relating to the Corporation and its non-profit status, or (b) the Cities receive any such income earned by the Corporation in an equitable manner determined by the three City Councils as set forth above.



## **ARTICLE X AUTHORITY TO CONTRACT**

### **Section 10.01 Authority to Contract**

- (a) Except as provided below, the Board may contract with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks which will aid or assist the Board in the performance of its duties. However, no such contract shall ever be approved or entered into which seeks or attempts to divest the Board of its discretion and policy making functions in discharging the duties herein set forth. The Board may contract with one or more of the Cities to utilize the services of staff and employees of the respective Cities.
- (b) All contracts or expenditures that provide for the expenditure of \$500,000, or more, must be approved by all three (3) City Councils, unless such contracts or expenditures are included in the BCRUA Annual Budget, or otherwise have been previously approved by all three (3) City Councils.
- (c) The Board may by resolution give the General Manager general authority to execute contracts, change orders, quantity adjustments and/or to otherwise authorize the expenditure of funds, so long as such authority is otherwise in compliance with the terms and provisions of the Articles of Incorporation, these Bylaws and state law. In addition to the foregoing, the General Manager shall have the authority to execute on behalf of the Corporation standard form documents, including but not limited to deeds, releases of liens, rental agreements, easements, right-of-way agreements, and similar documents under the following conditions:
  - (1) The execution of the document is necessary to carry out a project, program or policy that has been approved by the Board and/or the Cities;

(2) All blanks are filled in correctly and such document is consistent with the objectives approved by the Board and/or the Cities; and

(3) The form of such document shall be approved by the Board's General Counsel or one or more of the attorneys for the Cities.

## **ARTICLE XI MISCELLANEOUS PROVISIONS**

### **Section 11.01 Seal**

The seal of the Corporation shall be such as from time to time may be approved by the Board.

### **Section 11.02 Notice and Waiver of Notice**

Whenever any notice whatever is required to be given under the provisions of these Bylaws, such notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address, as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. A waiver of notice, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

### **Section 11.03 Resignations**

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

### **Section 11.04 Gender**

References herein to the masculine gender shall also refer to the feminine in all appropriate cases, and vice versa.

### **Section 11.05 Appropriations and Grants**

The Corporation shall have the power to request and accept any appropriation, grant, contribution, donation, or other form of aid from the federal government, the State, or from any other source.

### **Section 11.06 Ethics**

The Directors shall comply with Chapter 171, of the Texas Local Government Code related to conflicts of interest. The Directors shall also comply with any ethics ordinances adopted by the city councils that appointed them to the Board of Directors.

Approved and adopted by a unanimous vote of the Brushy Creek Regional Utility Authority Board of Directors this \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Na’Cole Thompson, President

Attest:\_\_\_\_\_  
Rene Flores, Board Secretary

Approved by the Cedar Park City Council this \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Jim Penniman-Morin, Mayor

Attest: \_\_\_\_\_  
LeAnn Quinn, City Secretary

Approved by the Leander City Council this \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Christine DeLisle, Mayor

Attest: \_\_\_\_\_  
Debbie Haile, City Secretary

Approved by the Round Rock City Council this \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Craig Morgan, Mayor

Attest:

\_\_\_\_\_  
Ann Franklin, City Clerk