

## RESOLUTION

THE STATE OF TEXAS                   §  
  §  
COUNTY OF ANGELINA               §

I, Judy Runnels, Secretary of FOUR WAY SPECIAL UTILITY DISTRICT, a district created under chapter 49 and 65 of the water code in the State of Texas, do hereby certify that I am keeper of the records and the minutes of the proceedings of the Board of Directors of said District, and that on the 24th day of June, 2025 there was held a meeting of the Board of Directors of said District, which was duly called and held in accordance with the law and at which meeting a quorum of the Directors were present; and that at said meeting the following resolutions were duly and legally passed;

### A RESOLUTION ADOPTING BYLAWS FOR THE FOUR WAY SPECIAL UTILITY DISTRICT (“The District”)

WHEREAS, the Board of Directors recognizes the need to set rules to govern the Board of Directors of the Four Way Special Utility District;

WHEREAS, said by-laws set the powers and duties of the President, Vice-President, and Secretary-Treasurer;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE FOUR WAY SPECIAL UTILITY DISTRICT:

SECTION 1. That the By-laws attached hereto as Exhibit A and made part hereof for all purposes be, and the same is hereby, adopted as the official policy of the District.

SECTION 2. That the Board of Directors is hereby directed to implement, administer, and enforce the By-laws.

SECTION 3. That this resolution, upon its passage, shall take effect June 24, 2025.

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of said District, and have attached hereto the official seal of said District, this 24th day of June, 2025.

FOUR WAY SPECIAL UTILITY DISTRICT

(Seal)

\_\_\_\_\_  
Judy Runnels, Secretary/Treasurer

## **BY-LAWS**

### **FOUR WAY SPECIAL UTILITY DISTRICT**

By-Laws of FOUR WAY SPECIAL UTILITY DISTRICT, having been presented to the Board of Directors and duly adopted as follows:

#### **ARTICLE I.**

The President shall preside at all directors' meetings. The President may, and upon demand of one-third (1/3) of the directors, shall call a special meeting of the directors. Such special meeting shall be held upon giving the notice required in Article XII of the By-Laws. The President shall perform all other duties that usually pertain to the office or are delegated to him by the Board of Directors.

#### **ARTICLE II.**

The Vice-President shall, in case of the absence or disability of the President, perform the duties of the President.

#### **ARTICLE III.**

The Secretary-Treasurer shall have the custody of all the monies and securities of the District. The Secretary-Treasurer shall keep regular books and shall keep minutes of all meetings of the district. All monies of the District shall be deposited by the Secretary-Treasurer in such depository as shall be selected by the directors. Checks must be signed by the Secretary-Treasurer and the President or Vice-President, in the absence of the President. The Secretary-Treasurer shall have custody of the seal of the District and affix it as directed hereby, or resolution passed by the Board of Directors. The Board of Directors may appoint an employee as assistant or deputy secretary to assist the Secretary in all official duties.

The position of the Secretary-Treasurer and other positions entrusted with receipt and disbursement of funds shall be placed under a fidelity bond in an amount which shall be set from time to time by the Board of Directors.

#### **ARTICLE IV.**

The Board of Directors shall consist of seven (6) directors, a majority of whom shall constitute a quorum. Annually and thereafter prior to July 1 the Board of Directors shall elect a President, a Vice-President, and a Secretary-Treasurer. The directors shall be elected by the Board of Directors at a regular meeting. The directors shall be divided into three classes, each class to be as near as equal in number as possible, the terms of the directors of the first class will expire after one (1) year, the terms of the directors of the second class will expire after two (2) years, and the terms of the directors of the third class will expire after three (3) years. At each election after such classification, the number of directors equal to the number of the class whose term expires at the time of such election shall be elected to hold office for a term of three (3) years. Upon the death or resignation of a director, a successor shall be elected by a majority of the directors remaining to serve out the remaining portion of the term thus vacated.

## **ARTICLE V.**

Regular meetings of the Board of Directors shall be held at such time and place as the Board may determine at the previous regular meeting, and shall include posting of the meeting as required by the Texas Open Meetings Act, Article 6252-17, Tex. Rev. Civ. Stat by posting such notice on the District's web site, and by posting such notice in a place readily convenient to the public in its administrative office at all times for at least seventy-two (72) hours preceding the scheduled time of the meeting. Such notice shall specify the date, hour, place and subject of each meeting held by the Board of Directors.

The Board of Directors shall ensure that all meetings comply with the requirements of the Open Meetings Act, Article 6252-17, Tex. Rev. Civ. Stat., including any subsequent amendment thereto. In the event of any conflict between the provisions of these By-laws and the requirements of the Open Meetings Act, the provisions of the Open Meetings Act shall prevail. In conducting their duties as members of the Board, each Director (1) shall be entitled to rely, in good faith and with ordinary care, on information, opinions, reports, or statements, including financial statements and other financial data, concerning the District or the District's affairs, that have been prepared or presented by one or more Officers or employees of the District; or by legal counsel, public accountants, or other persons retained by the District for the development of professional advice and information falling within such person's professional or expert competence; (2) may believe, in good faith and with ordinary care, that the assets of the District are at least that of their book value; and (3) in determining whether the District has made adequate provision for the discharge of its liabilities and obligations; and may rely in good faith and with ordinary care on the financial statements of, or other information concerning, any person or entity obligated to pay, satisfy or discharge some or all of the District's liabilities or obligations; and may rely in good faith on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more Officers or employees of the District; legal counsel, public accountants, or other persons provided the Director reasonably believes such matters to fall within such person's professional or expert competence. Nevertheless, a Director must disclose any knowledge he or she may have concerning a matter in question that makes reliance otherwise provided herein to be unwarranted.

## **ARTICLE VI.**

The directors of the District shall establish and maintain, so long as the District is indebted to the Government, in an institution insured by the State or Federal Government, or invested in readily marketable securities backed by the full faith and credit of the United States of America, a reserve account separate and apart from other fund accounts of the District. There shall be deposited in such fund the sum as required by a total of all loan resolutions executed by the District. Such deposits will be made monthly and will continue until the total amount deposited equals the sum as required by the executed loan resolutions provided, however, that after any withdrawals, such deposits shall be resumed until the amount accumulated in the fund is restored to the sum as required by the executed loan resolutions.

Withdrawals from this fund upon prior Rural Development Administration approval shall be made only for emergency repairs, obsolescence of equipment, improvements to facility, and for making up any deficiencies in revenue for loan payments.

The directors shall invest all sums in this fund not required to be expended within the year in which the same are deposited in bonds or other evidence of indebtedness to the United States of America, or in readily marketable securities backed by the full faith and credit of the United States of America. Securities so purchased shall be deemed at all times to be a part of the reserve fund account.

#### **ARTICLE VII.**

Every person (which includes any legal entity) owning or having a legal right to the control, possession or occupancy of property served or which may reasonably be served by the District, shall have the right to become a customer of the District upon payment of all fees hereinafter provided and upon compliance with the reasonable requirements of the District governing the purchase of water, charges for connection and operation of and service by the system. A Customer shall not be denied because of the applicant's race, color, creed or national origin. It is the intent of the District to provide service on a nondiscriminatory basis to all persons desiring service to the extent that the capabilities of the system will reasonably permit.

#### **ARTICLES VIII.**

Special meeting of the directors may be held upon the posting of notice of such special meeting, in the manner provided under Article V of these Bylaws. It shall be the responsibility of the President or his designee to ensure that proper notice is posted. In no event shall any special meeting of the Directors be convened where the business of such meeting could be considered at a regular meeting of the Directors receiving at least seventy-two (72) hours notice as provided under Article V of these By-laws.

#### **ARTICLE IX.**

The business of the District may be handled under the direction of the Board of Directors, by a manager to be elected by majority vote of the Board, and the manager shall serve with or without compensation. The manager, with the approval of the Board of Directors, may employ, with or without compensation, such supervisory, clerical, or other employees as may be required to effectively operate the business of the District.

#### **ARTICLE X.**

All customers will be billed, disconnected, or reconnected, in accordance with the written policies of the District.

#### **ARTICLE XI.**

The fiscal year of the District shall be from January 1 to December 31.

#### **ARTICLE XII.**

For so long as the District is indebted for a loan or loans made to it by the United States of America through the Rural Development Administration, the District shall insure with a reputable insurance company such of its properties and in such amounts as is required by the State Director of the Rural Development Administration for the State of Texas.

### **ARTICLE XIII.**

With prior written request, district records, books and annual reports, subject to exceptions provided by the Open Records Act, Article 6252-13a, Tex. Rev. Civ. Stat., including any amendments thereto, shall be available for public inspection and copying by the public or their duly authorized representatives during normal hours subject to a reasonable charge for the preparation of copies. In the event of any conflict between the provisions of the Open Records Act and the provisions of these Bylaws, the provisions of the Open Records Act shall prevail.

### **ARTICLE XIV.**

#### **Voting Eligibility for Existing Customers Outside District Boundaries**

##### **1. Eligibility Criteria:**

An individual is eligible to vote in the District's board elections if they:

- Are a current customer of the District, receiving water services;
- Reside outside the District's boundaries and hold fee title to or hold a legal right of possession or occupancy of the real property receiving water services of the District;
- Are at least 18 years of age;
- Are a U.S. citizen;
- Are a resident of the State of Texas;
- Are a registered voter of the State of Texas; and,
- Have obtained approval by the District for the addition of the customer's real property being served by the District into the District's boundaries in accordance with the laws of the State of Texas and the rules and regulations of the District.

##### **2. Registration Requirement:**

Eligible customers must register with the District's Board Secretary no later than 60 days before the election date. Petition forms for the addition of real property and Registration forms are available at the District's office.

##### **3. Voting Rights:**

Eligible voting customers will be entitled to vote in board elections, provided they meet the eligibility criteria outlined above.

##### **4. Verification:**

The District reserves the right to verify the eligibility of any voter and may require documentation to confirm customer status and residency.

##### **5. Amendments:**

This bylaw provision may be amended by a majority vote of the Board of Directors, in accordance with the procedures set forth in the District's governing documents and applicable law.

**ARTICLE XV.**

These By-Laws may be altered, amended, or repealed by a vote of a majority of the Directors present at any regular meeting of the District, or at any special meeting of the District called for that purpose. For so long as the District is indebted for a loan or loans made to it by the United States of America through the Rural Development Administration, these By-Laws shall not be altered, amended, or repealed without the prior written consent of the State Director of the Rural Development Administration for the State of Texas.

**ARTICLE XVI.**

The seal of the District shall consist of a circle within which shall be inscribed "Four Way Special Utility District".

**ARTICLE XVII.**

The above By-Laws and regulations were unanimously adopted by the Board of Directors of the Four Way Special Utility District, at a regular scheduled meeting in Huntington, Texas on the 24th day of June, 2025.

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Roger Sanders  
President

Attest

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Judy Runnels  
Secretary/Treasurer

SWORN TO AND SUBSCRIBED BEFORE ME this 24th day of June, 2025, by **Roger Sanders**, President of **Four Way Special Utility District**.

\_\_\_\_\_  
Notary Public, State of Texas

SWORN TO AND SUBSCRIBED BEFORE ME this 24th day of June, 2025, by **Judy Runnels**, Secretary of **Four Way Special Utility District**.

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Notary Public, State of Texas