

**LAKEWAY MUNICIPAL UTILITY DISTRICT
AN ORDER ADOPTING BOARD OF DIRECTORS MEETING
RULES AND ORDER OF BUSINESS**

Pursuant to the Texas Water Code, the Board of Directors may, by Order, determine its meeting rules and order of business, in conformity with the Code and the laws of the State of Texas.

ARTICLE I. TYPES OF MEETINGS

Regular Board Meetings are normally held on the second Wednesday of every month in the District Office, at a time determined by the Board. The date, location and time may be changed by vote of the Board of Directors. Meeting locations must be approved by Resolution of the District and the Texas Commission on Environmental Quality (TCEQ) must be notified of any permanent change in location.

Other types of Meetings (described below) may be called by the President of the Board or the General Manager.

Emergency Meetings may be called when authorized by Section 551.045 of the Texas Government Code. Such Emergency Meetings are authorized only if immediate action is required by the Board because of: (1) an imminent threat to public health and safety; or (2) a reasonably unforeseeable situation. The emergency or urgent public necessity shall be clearly identified, and public notice of the Emergency Meeting must be posted at least two (2) hours before the meeting is scheduled to begin.

Special Board Meetings may be called at any time with seventy-two (72) hours notice to conduct District business as may be required between Regular monthly meetings.

Work Session Meetings may be called to explore one or more matters in detail and give direction to staff, usually without taking final action. Occasionally, public hearings may be held in conjunction with work session meetings for the convenience of the public.

Public Hearings may be called with notice as required by State Law. A public hearing is held to allow citizens to learn about, and to comment on, a specific matter under consideration by the District. Normally, no action will be taken during a public hearing, but public hearings may be held during regular or special meetings and action may be taken following the public hearing.

ARTICLE II. QUORUM

Three members of the Board of Directors constitute a quorum. **Three of the five District Directors** must be present in order to conduct a Board meeting.

ARTICLE III. AGENDA

The Agenda will be prepared by the District's Assistant Secretary/Treasurer to the Board of Directors and the General Manager and approved by the President of the Board of Directors. Any Board member may place an item on the agenda.

The agenda for a Regular Meeting will include the following:

- Determination of Quorum and Call to Order.
- Pledge of Allegiance.
- Citizens Participation – Topics Not on the Agenda. Citizens may address the Board on any topic that is not on the agenda. The Board's response to an item raised during Citizen Comment that is not on the meeting agenda, is limited by Section 551.042 of the Texas Government Code to: (1) a statement of specific factual information given in response to the inquiry; or (2) a recitation of existing policy in response to the inquiry. Any deliberation of or decision about the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent meeting.
- Each Matter or Policy that the General Manager, District staff, or Committee wish to have the Board consider. Each of these agenda items shall be specified and provision made for citizen comment when there is public interest.
- Consent Items may include:
 - Approval of Minutes of previous meeting(s), if available.
 - Approval of Cash Disbursement Journal.
 - Consent items may be approved by one Board vote. However, any Director may pull an item from the consent agenda for a question or a separate discussion and vote.
- Report of General Manager and Staff, including Financial Report.
- Report of Committees.

The Agenda for all meetings shall be posted by the Assistant Secretary/Treasurer of the Board of Directors or his/her designee in accordance with Tex. Gov. Code §§ 551.043 and 551.054, which provide that the notice of a meeting of a governmental body must be posted in a place readily accessible to the general public at all times for at least 72 hours before the scheduled time of the meeting (except as provided by Tex. Gov. Code § 551.045 pertaining to emergency meetings), and that notice must be (1) posted at a place convenient to the public in the administrative office of the district; and (2) provided to Travis County Clerk for posting on a bulletin board at a place convenient to the public in the county courthouse.

The Assistant Secretary/Treasurer will assume responsibility for issuing to news organizations, neighboring Governmental entities, and other interested parties through request, a copy of the agenda for all Board meetings for which posting is required.

ARTICLE IV. DUTIES OF PRESIDING OFFICER

The President (or in the President's absence, the Vice President) shall preside over all Board meetings. In the absence of both the President and the VP, the Secretary shall preside.

The Presiding Officer shall preserve order and decorum, and is authorized to enforce compliance with the rules contained herein. The Presiding Officer shall require Directors, staff and citizens to limit discussion to the matter under consideration and as posted on the agenda.

The General Manager and Assistant Secretary/Treasurer, or their designee, shall be present at all posted Board meetings, except when excluded by the Board for an Executive Session.

The Presiding Officer's decision on a procedural matter can be overruled by a majority vote. The motion to overrule may be made at any time and must be seconded. The person making the motion may make a brief statement and the Presiding Officer may explain his/her position, but no other Director may speak on the motion. The Presiding Officer will then put the ruling to a vote of the Board. Any or all of the provisions of this procedure may be suspended temporarily by a majority vote, except such portions that embody provisions of the Texas Water Code or State Law.

ARTICLE V. INTRODUCTION & VOTING ON AGENDA ITEMS

The Presiding Officer must introduce every item on the agenda. He or she may change the order of the agenda. The Board may elect not to take action on any agenda item. The Board may not take action on any matter not included on the agenda.

Any agenda item before the Board may be decided only by a motion, a second, and a favorable vote by three (3) or more members of the Board present and voting.

Motions shall be "positive" not "negative".

The Board may agree to limit discussion on any business before it. That agreement must be formalized by a vote of a majority of the Board.

The Presiding Officer, the General Manager, the Assistant Secretary/Treasurer, or the sponsoring Director will present a clear statement of the matter to be considered. After citizen input, the Board will discuss the item and may take action.

All Directors are required to vote on all matters except when a conflict of interest exists. In such case, the abstaining Director must clearly state the reason for the conflict. When the

Presiding Officer is satisfied that each Director has had reasonable opportunity to discuss the motion, he or she will call for a vote. Debate will cease and the vote taken.

Factual information on subjects not on the agenda may be presented in response to inquiries made by a Board member, citizen, or the staff. Deliberation on such subjects is limited to placing a subject on the agenda for a subsequent posted meeting.

ARTICLE VI. PARLIAMENTARY PROCEDURE

In Regular, Emergency, and Special meetings these rules will govern. Where the rules are silent, the Presiding Officer is authorized to determine reasonable rules or procedures. The Presiding Officer will rely on Robert's Rules of Order, unless they are in conflict with the Texas Water Code or State Statutes.

A new main motion may not be brought up for consideration while another main motion is being debated. Each main motion must be disposed of before another is made.

During the debate on a main motion, subsidiary motions may be proposed. Following are **subsidiary motions**, listed in the order of their rank:

1. **Motion to table the Main motion** - i.e., lay it aside and go on to the next item on the agenda.
2. **Motion to request that discussion cease** and that the main motion be voted on - i.e., moving the previous question.
3. **Motion to limit discussion** to a fixed amount of time.
4. **Motion to postpone action** on the proposal until some **definite time** in the future.
5. **Motion to refer the proposal to a committee.**
6. **Motion to amend** the main motion.
7. **Motion to postpone action** on the proposal to an **indefinite future time.**

Privileged motions may be made at any time, take precedence over all other discussions, and are not debatable. Following are the privileged motions, listed in order of rank:

1. Motion to set the date, time and place of the next meeting.
2. Motion to recess.
3. Motions on questions of privilege.

4. Motion to keep the meeting to the agreed order of business.

ARTICLE VII. CITIZEN PARTICIPATION

As previously indicated, citizens shall have the opportunity to address the Board at all Regular and Special Board meetings and during public hearings. Citizens must complete a "Request to Address the Board" form and hand it to the Presiding Officer preferably before the meeting starts but in any event before the time for Citizen Participation is closed for that agenda item. Citizens wishing to address the Board shall speak from the podium and shall identify themselves by name and address and indicate whether they are a District customer (In or Out-of-District).

Initial presentations by citizens during the agenda item "Citizens Participation – Topics Not on the Agenda" shall be limited to five minutes, unless the Presiding Officer allows additional time.

For all other agenda items, the order of process shall be as follows:

- Briefing by item sponsor (e.g, General Manager, Committee Chair, sponsoring Director)
- Citizen Comment
- Board Discussion and Action

During the Citizen Comment period on regular agenda items, the Presiding Officer will call upon those citizens who have filled out a "Request to Address the Board" form and invite them to address the Board. When the first citizen has been recognized, others will hold their comments until they are recognized by the Presiding Officer and have the floor. The Presiding Officer may limit the duration and number of times a citizen may speak. Generally, such duration should not exceed three (3) minutes without permission from the Presiding Officer.

Members of the public attending Board meetings shall observe rules of propriety, decorum and good conduct. The Presiding Officer is authorized to remove from the Board meeting room and to bar from attending the remainder of the Board meeting any person who does not adhere to these meeting rules. In case the Presiding Officer shall fail to act, any member of the Board may move to require the enforcement of the rules, and the affirmative vote of the majority of the Board shall require the Presiding Officer to act.

ARTICLE VIII. EXECUTIVE SESSIONS

A meeting may be closed to the public under certain limited circumstances. Generally, these circumstances include certain contract negotiations, consultations with the Board's attorney about litigation, and consideration of personnel matters, real property transactions and security deployment. When a closed or executive session is held, the following obligations must be met.

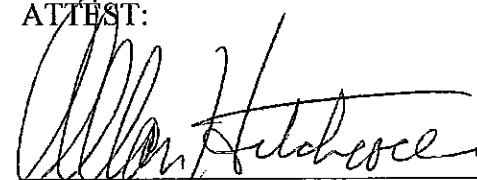
1. The Board must first convene in open session.
2. The Presiding Officer must announce that an Executive Session is to be held and identify the Section of the Open Meetings Law that authorizes the Executive Session. For example, the Presiding Officer states, "The Board of Directors will now meet in Executive Session pursuant to Texas Government Code, Section 551.071 for Consultation with Attorney."
3. No action may be taken during an Executive Session.
4. At the conclusion of an Executive Session, the Board must reconvene in open session. **The Board must be in open session before taking any final action, decision, or vote on matters considered in an Executive Session.**
5. Information provided and discussed in Executive Sessions is confidential. No person attending Executive Session shall disclose any confidential information provided or discussed during Executive Session without the consent of the Board.

The governmental body must keep a "Certified Agenda" of the proceeding, which must include the announcement made by the Presiding Officer at the beginning and end of the meeting, including the date, time, and the subject matter of the deliberations in Executive Session.

ARTICLE IX. EFFECTIVE DATE. This Board Order supersedes and replaces prior Board orders pertaining to Board of Directors Meeting Rules and Order of Business.

PASSED, APPROVED and effective this the 9th day of November, 2011.

ATTEST:


Secretary, Board of Directors


President, Board of Directors

[SEAL]