

# **Bylaws: Water Environment Association of Texas Scholarship Fund**

Adopted March 26, 2013

## **Article I. Name**

The name of the Fund shall be the Water Environment Association of Texas Scholarship Fund ("Fund").

## **Article II. Purpose and Powers**

**Section 1. General Purpose.** The Fund is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and the Regulations as promulgated under the Code as they now exist or as they may be amended (the "Regulations"). All references to any section of the Code shall imply a reference to the Regulations promulgated under the Code. The Fund is further organized to carry on other lawful business and activities which are necessary and proper for the accomplishment of such charitable and educational purposes which are incidental to the powers named in these bylaws or which enhance the goals of the Fund.

**Section 2. Specified Purposes.** Within the scope of the foregoing purposes, the mission of the Fund shall be to provide financial assistance to members and dependent children of members of the Water Environment Association of Texas ("WEAT") pursuing an undergraduate or graduate degree. Preference will be given to those pursuing degrees in fields directly related to the water environment such as Engineering and Science.

**Section 3. Powers.** The Fund is a nonprofit corporation and shall have all of the powers, duties, authorizations and responsibilities as provided in the Texas Business Organizations Code and its successor statutes ("TBOC"); provided, however, the Fund shall neither have nor exercise any power, nor engage directly or indirectly in any activity, that would invalidate its status as a corporation that is exempt from federal income tax as an organization described in Section 501 (c)(3) of the Code.

**Section 4. Offices.** The Fund may have, in addition to its registered office, offices at such places, both within and without the State of Texas, as the Board of Directors may from time to time determine or as the activities of the Fund may require.

**Section 5. Restrictions.** In all events and under all circumstances, the following provisions shall apply:

(a) The Fund shall not devote more than an insubstantial part of its activities to attempting to influence legislation (except as provided in Section 501(h) of the Code), or participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any or in opposition to any candidate for public office.

(b) No part of the net earnings of the Fund shall inure to the benefit of, or be distributable to, its directors, officers, or other private persons, except that the Fund shall be authorized and empowered to pay reasonable compensation for services

rendered and to make payments and distributions in furtherance of the purposes set forth in these Bylaws. Nothing in these Bylaws shall preclude directors or officers to also serve as employees of the Fund.

(c) Notwithstanding any other provisions of these Bylaws, the Fund shall not carry on any other activities not permitted to be carried on:

(1) By a corporation exempt from federal income tax under Section 501(c)(3) of the Code (or the corresponding provision of any future United States internal revenue law); or

(2) By a corporation contributions to which are deductible under Section 170(c)(2) of the Code (or the corresponding provision of any future United States internal revenue law).

### **Article III. Relationship to WEAT**

WEAT is a Texas non-profit corporation exempt from federal taxation under Section 501(c)(6) of the Code. WEAT is an open association of water environment professionals, practitioners, operations specialists, and public officials with a broad range of expertise working together to protect and enhance our precious water resources. WEAT members include civil, design and environmental engineers, biologists, chemists, local and state government officials, treatment plant managers and operators, laboratory technicians, students, professors, lawyers, environmental scientists, equipment manufacturers and distributors.

The mission of the Fund shall be as set forth in Article II, Section 2. WEAT shall have the right to appoint a WEAT Designee to the Board of Directors of the Fund as set forth in Article IV, Section 4. WEAT shall receive reports from the Fund as set forth in Article VI, Section 3.

References in these bylaws to WEAT shall include successor organizations, if any, to WEAT, whether resulting from merger, acquisition, name change or other statutorily permitted means.

### **Article IV. Board of Directors**

#### **Section 1. Powers.**

(a) *General Powers; Delegation.* The activities, property and affairs of the Fund shall be managed by its Board of Directors, who may exercise all such powers of the Fund and do all such lawful acts and things as are permitted by statute, by the Fund's Certificate of Formation or by these Bylaws.

(b) *Specific Powers and Responsibilities.*

(1) The Board shall have general supervision of the affairs of the Fund, fix the hour and place of meetings, make recommendations to the Endowment Representatives of the Fund (described in Section II), and shall perform such other duties as are specified in these bylaws.

(2) The Board shall have the power to invest and reinvest the principal and income of the Fund in accordance with the written investment policy of the Fund and to employ a financial institution as custodian of the funds.

(3) An annual report of all financial transactions will be submitted for fiscal review to the Board of Directors and the WEAT Audit and Budget Committee, or a third party reviewer selected by the WEAT Management Committee and approved by the Board of Directors.

(4) The Board shall develop over a period of several years, a General Endowment Fund (described in Section II) of sufficient size that the interest will constitute the major source of funding for at least one scholarship.

(5) The Board shall have the authority to determine the recipient(s) of the Fund's General Endowment Fund Scholarship(s) pursuant to appropriate policies, procedures and guidelines to be adopted and enacted by the Board.

(6) The Board shall develop a written investment policy and adopt guidelines for the administration of the Fund.

**Section 2. Number and Qualifications.** The Board of Directors of the Fund shall consist of not less than three (3) and not more than seven (7) directors. The number of directors may be increased or decreased from time to time by resolution of the Board of Directors, but no decrease shall have the effect of shortening the term of any incumbent director.

**Section 3. Term of Office.** Each of the directors of the Fund as of the effective date of these Bylaws (being those persons named and designated as such in the authorizing resolution approved concurrently with these Bylaws) shall hold office for the Initial Term designated in such authorizing resolution and until his or her successor is chosen and qualified, or until his or her earlier death, resignation, retirement, disqualification or removal from office. Thereafter:

(a) each WEAT Designee Director (defined in Section 4(a) below) shall hold office for such period(s) as correspond to his or her term of office with or annual designation by WEAT and until such director's successor is chosen and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal from office; and

(b) each At Large Director (described in Section 4(b) below) shall hold office for a three year term and until such director's successor is chosen and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal from office. At Large Directors may serve additional consecutive three year terms, it being understood that an Initial Term of less than three years shall not be included in the determination of such successive three year terms.

The At Large Directors shall be divided into three (3) classes such that the directors will serve for staggered three (3) year terms, with each such class consisting generally of one-third (1/3) of the then number of At Large Directors on the whole Board; provided, however, that nothing in this provision shall be construed to require exact equality in the number of directors in each class. At each annual meeting of the Board, the successors to the class of directors whose term shall expire that year shall be elected to

hold office for a term of three (3) years, so that the term of office of one (1) class of directors (or approximately one-third (1/3) of the At Large Directors) shall expire each year. The number of directors in each class shall be determined by the Board.

The Board shall have six At Large members who shall be nominated by the current Board for confirmation and appointment. Board members shall serve a three year term, but may be reappointed to serve an additional term or terms if willing.

**Section 4. Election.** (a) *WEAT Designee.* The Board of Directors of WEAT shall have the right to designate one person, a WEAT administrative staff member, to serve as a Director of the Fund (the "WEAT Designee"). The WEAT Designee shall serve a term concurrent with their employment with WEAT.

(b) *At Large Directors.* From time to time as appropriate following the effective date of these Bylaws, the Board of Directors of the Fund (including any directors whose terms may be expiring) shall elect the remaining directors of the Fund at the annual meeting of the Board of Directors each year, unless an election is required to be held earlier because of vacancies. Any Director may make recommendations to the Board regarding nominees for election to the Board.

(c) *Qualifications.* All members of the Board of Directors should be persons who demonstrate an interest and expertise in raising and managing funds to promote, preserve and create programs that advance the purposes of the Fund. The Fund values diversity among its Board of Directors; accordingly, the Board should consider the Fund's commitment to diversity in selecting nominees for the election to the Board.

(d) *Filling of Vacancies.* Any vacancy occurring in the Board of Directors resulting from the death, resignation, retirement, disqualification or removal from office of any director shall be filled in the manner by which such director was elected. Any director elected to fill a vacancy shall hold office until the next annual meeting of the Board of Directors of the Fund, and until such director's successor is chosen and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal from office.

(e) *Removal.* Any director may be removed, either for or without cause, by the affirmative vote of at least a majority of the entire governing body which designated or elected such director, if notice of the intention to act upon such matter shall have been given to the director proposed to be removed.

**Section 5. Place of Meetings.** Meetings of the Board of Directors shall be held at such places, within or without the State of Texas, as may from time to time be fixed by the Board of Directors or as shall be specified or fixed in the respective notices or waivers of notice thereof.

**Section 6. Annual Meetings.** An annual meeting of the Board of Directors shall be held each year at such time and place as the directors may deem advisable, which to the greatest extent practicable shall coincide with the WEAT Annual Conference. At such annual meeting, the directors of the Fund in accordance with these Bylaws shall elect successors to the applicable directors of the Corporation, shall elect officers and shall transact any and all other business as may properly come before the meeting. Written notice of the place, date and time of each annual meeting of the Board of Directors shall be delivered to such director not less than ten (10) nor more than sixty (60) days

before the date of such meeting, at such director's address as it appears on the books of the Fund at the time such notice is given.

**Section 7. Regular Meetings.** Regular meetings of the Board of Directors shall be held at such times and places as may be fixed from time to time by resolution adopted by the Board of Directors and communicated by notice to all directors. Except as otherwise provided by statute, by the Certificate of Formation or by these Bylaws, any and all business may be transacted at any regular meeting.

**Section 8. Special Meetings.** Special meetings of the Board of Directors may be called by the President upon not less than three (3) nor more than 60 days' notice to each director. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) or more directors. Except as otherwise provided by statute, by the Certificate of Formation or by these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

**Section 9. Quorum and Manner of Acting.** At all meetings of the Board of Directors the presence of a majority of the number of directors then in office shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by statute, by the Certificate of Formation or by these Bylaws. Directors present by proxy may not be counted toward a quorum. The act of a majority of the directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by statute, by the Certificate of Formation or by these Bylaws, in which case the act of such greater number shall be requisite to constitute the act of the Board. A director may vote in person or by proxy executed in writing by the director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided in such proxy to be irrevocable and unless otherwise made irrevocable by law. If a quorum shall not be present at any meeting of the directors, the directors present at such meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum shall later be present, any business may be transacted which might have been transacted at the meeting as originally convened.

**Section 10. Duties of Directors.** Directors shall discharge their duties in good faith, with ordinary care, and in a manner they reasonably believe to be in the best interest of the Fund. Ordinary care is care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In the discharge of any duty imposed or power conferred on directors, they may in good faith rely on information, opinions, reports or statements, including financial statements and other financial data, concerning the Fund or another person that were prepared or presented by officers and employees of the Fund, professional advisors or experts, or accountants or legal counsel. A director is not relying in good faith if the director has knowledge concerning a matter in question that renders reliance unwarranted.

**Section 11. No Compensation.** Directors may not receive compensation for their services as directors or as members of a standing or special committee of the Board of Directors, but may receive reimbursement for expenses incurred on behalf of the Fund

or in attending meetings of the Board of Directors (if, and to the extent, authorized by a resolution adopted by the directors).

**Section 12. Committees.**

(a) *General.* The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees which to the extent provided in said resolution, shall have and exercise the authority of the Board of Directors in the management of the Fund. Any such committee shall consist of two (2) or more persons, a majority of whom are directors. The designation of such committees and the delegation of authority to such committees shall not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed on the Board or such director by law.

(b) *Advisory Boards or Committees.* Advisory boards or committees not having and exercising the authority, responsibility or duties of the Board of Directors in the management of the Fund may be designated by a resolution adopted by the directors. Except as otherwise provided in such resolution, members of each such advisory board or committee need not be directors of the Fund. The President shall appoint the members of such advisory boards or committees. Any member of such advisory board or committee may be removed by the President whenever in the President's judgment the best interests of the Fund shall be served by such removal.

(c) *Term of Office.* Each member of any committee of directors or advisory board or committee created pursuant to this Section shall continue as such until the next annual meeting of the directors of the Fund and until such member's successor is appointed, unless the board or committee is sooner terminated, or unless such member is removed from such board or committee or shall cease to qualify as a member thereof.

(d) *Chair.* Unless otherwise designated by these Bylaws, one or more members of each directors' committee or advisory board or committee created pursuant to this Section shall be appointed chair or co-chair, by the person or persons authorized to appoint the members thereof.

(e) *Vacancies.* Vacancies in the membership of any committee of directors or advisory board or committee created pursuant to this Section may be filled by appointments made in the same manner as provided in the case of the original appointments.

(f) *Quorum; Manner of Acting.* Unless otherwise provided in the resolution of the Board of Directors designating a committee of directors or advisory board or committee created pursuant to this Section, a majority of the whole board or committee shall constitute a quorum, and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the board or committee.

(g) *Rules.* Each committee of directors or advisory board or committee created pursuant to this Section may adopt rules for its own government not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

## **Article V - Notice; Telephone Meetings; Action by Unanimous Consent**

**Section 1. Method.** Whenever, under the provisions of any statute, the Certificate of Formation or these Bylaws, notice is required to be given to any director or committee member of the Fund, and no provision is made as to how such notice shall be given, it shall not be construed to require personal notice, but any such notice may be given in writing by hand delivery, by facsimile transmission, by electronic mail or other electronic transmission if permitted by the TBOC or by mail, postage prepaid, addressed to such director or committee member at such person's address as it appears on the records of the Fund. Any notice required or permitted to be given by mail shall be deemed to be delivered at the time when the same shall be thus deposited in the United States mail, as aforesaid. Any notice required or permitted to be given by facsimile or by electronic transmission shall be deemed to be given upon successful transmission of such facsimile or successful delivery of such electronic transmission.

**Section 2. Waiver.** Whenever by statute or the Certificate of Formation or these Bylaws, notice is required to be given to a director or committee member, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated in such notice, shall be equivalent to the giving of such notice. Attendance of a director or committee member at a meeting shall constitute a waiver of notice of such meeting, except where a director or committee member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**Section 3. Meetings By Telephone or Other Remote Communications Technology.** Subject to the provisions of applicable law and these Bylaws regarding notice of meetings, the Board of Directors of the Fund or the members of any committee may, unless otherwise restricted by statute, by the Certificate of Formation or these Bylaws, participate in and hold a meeting by using conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, or by using any other suitable electronic communications system, including video conferencing technology or the Internet (but only if, in the case of such other suitable communications system, each person entitled to participate in the meeting consents to the meeting being held by means of that system, and the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other participant). Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting, except when a person participates in the meeting for the express purpose of object to the transaction of any business on the ground that the meeting was not lawfully called or convened.

**Section 4. Unanimous Consent.** Any action required or permitted to be taken at any meeting of the directors or the members of a committee may be taken without a meeting if a consent in writing setting forth the action to be taken shall be signed by all of the directors or all of the committee members, as the case may be. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document.

## Article VI. Officers

**Section 1. Officer Positions.** The Fund shall have (a) a President, Vice President, Secretary and a Treasurer; and (b) such other officers as the Board may deem necessary or appropriate. Any two (2) offices may be held by the same person; provided, however, that the offices of President and Secretary shall not be held by the same person. The Executive Board of the Fund shall be made up of the officers of the Fund and the immediate Past President. Officers must be current members of the Board of Directors.

**Section 2. Term.** Officers will serve a term of two years or until a successor has been chosen. Officers may serve consecutive terms at the will of the Board of Directors providing they are willing to do so.

**Section 3. Duties.** The President, Vice-President, Secretary, and Treasurer shall perform the duties usually associated with these offices. All duties shall be performed in accordance with these Bylaws.

(a) *President.* The President shall preside at all meetings of the Board at which they are present. The President shall provide a report of the Fund's activities to the WEAT Board at the annual WEAT conference, and if requested at called WEAT Board Meetings, including the providing of names of the current recipient(s) of the Scholarship.

(b) *Vice President.* The Vice-President shall preside at all meetings when the President is not in attendance and perform the duties of the President in his or her absence.

(c) *Treasurer.* The Treasurer shall deposit to the Fund account all contributions to the Fund by individuals, institutions, sections, businesses, etc. The Fund shall at all times be identified as an account separate from that of WEAT. The Treasurer shall oversee the investment of funds and keep an accurate, current record of all financial transactions. The Treasurer shall prepare an annual report as stated in Section 3(a) above. The Treasurer will submit, or oversee the submission, of all required reports to the Internal Revenue Service.

(d) *Secretary.* The Secretary shall attend all meetings of the Board of Directors, record and maintain official records of the proceedings, be responsible for distributing information, and to perform other functions designated by the Board of Directors.

(e) *Vacancies.* A vacancy may occur in an elected office due to death of an officer; change of residence outside the state of Texas; submission of a resignation; or, removal from office due to the determination of the Board of Directors that the officer is not fulfilling the duties of their elected office. If the office of President becomes vacant the Vice-President will immediately fill the vacancy. If a vacancy occurs in any other Fund office, the Board of Directors may fill the position by nominating and electing a qualified Director to fill the office. If multiple vacancies occur, the Director who has served on the Board for the longest period of time will fill the highest vacant office. Likewise the Director that has served the second longest will fill the second highest vacant office.

## **Article VII. Procedures for Awarding Grants to Individuals**

The Fund will, by resolution of its board of directors, establish programs to award grants to individuals as follows:

College Scholarships: The making of scholarship grants each year to one or more high school, college or graduate school students, to enable the recipient to complete an undergraduate or graduate education in the field of their choice, with preference given to those pursuing degrees in fields directly related to the water environment such as Engineering and Science, at the educational institution of his or her choice.

In the award of all grants under its College Scholarship programs the following procedures (collectively, "Procedures") shall apply:

1. All grants must be awarded on an objective and non-discriminatory basis.
2. No grants will be awarded to any disqualified person (as that term is defined in the Code) with respect to the Fund, or for a purpose that is inconsistent with the purposes described in Code section 170(c)(2)(B).
3. The group from which a grantee is selected must be reasonably related to the purposes of the grant, and the group must be large enough to constitute a charitable class.
4. The specific criteria used in selecting grant recipients from the potential grantees must be related to the purpose of the grant.
5. The persons selecting recipients of grants must not be in a position to receive a private benefit, directly or indirectly, if certain potential grantees are selected over others.
6. Periodic progress reports must be made to the Fund, at least twice a year, to determine whether the grantees have performed the activities the grants are intended to finance. If such reports are not made or there are other indications that the grants are not being used as intended, the Fund will investigate and take corrective action.
7. The Fund will keep all records relating to all grants to individuals, including:
  - a) information obtained to evaluate grantees;
  - b) identification of grantees, including any relationship of the grantee to the Fund sufficient to make the grantee a disqualified person;
  - c) amount and purpose of each grant; and
  - d) follow-up information, including required semi-annual reports and investigation of jeopardized grants.
8. The Board of Directors may, from time to time, establish additional criteria and procedures governing administration, award, selection criteria and other details of its College Scholarship programs; provided, however, that such additional criteria and

procedures not be inconsistent with the above listed Procedures. In the event of any discrepancy or conflict between these Procedures and any such additional criteria and procedures, the terms of these Procedures shall govern.

## **Article VIII. Miscellaneous Provisions**

**Section 1. Parliamentary Authority.** The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern administration of the Fund in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Fund may adopt.

**Section 2. Books and Records.** The Fund shall keep correct and complete books and records of account for at least three (3) years after the end of each fiscal year, and shall also keep minutes of the proceedings of its Board of Directors and committees of the Board of Directors, and shall keep at its registered or principal office a record giving the names and addresses of the members of any such board or committee entitled to vote. Any member of any such board or committee in good standing or prospective member shall be entitled to inspect and copy the books and records of account of the Fund upon reasonable notice being given to the Secretary of the Fund.

**Section 3. Surety Bond.** Such officers and agents of the Fund (if any) as the Board of Directors may direct from time to time shall be bonded for the faithful performance of their duties and for the restoration to the Fund, in such amounts and by such surety companies as the Board of Directors may determine. The premiums on such bonds shall be paid by the Fund, and the bonds so furnished shall be in the custody of the Fund.

**Section 4. Loans to Officers and Directors Prohibited.** No loans shall be made by the Fund to its officers or to its directors. Any directors voting for or assenting to the making of any loan to a director or officer which is prohibited by the TBOC, and any officer participating in the making thereof, shall be jointly and severally liable to the Fund for the amount of such loan until repayment thereof.

**Section 5. Fiscal Year.** The fiscal year of the Fund shall be fixed by resolution of the Board of Directors.

**Section 6. Indemnification.** To the greatest extent and in the manner allowed by applicable law, the Fund shall indemnify a person who was or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a director, officer, employee or agent of the Corporation against judgments, penalties (including excise and similar taxes), fines, settlements, and reasonable expenses actually incurred by the person in connection with the proceeding.

**Section 7. Invalid Provisions.** If any part of these Bylaws shall be held invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall remain valid and operative.

## **Article IX. Amendment of Bylaws**

These bylaws may be amended at any regular meeting of the Board of Directors by a two-thirds vote, provided that the amendment has been submitted to the Board in writing at least one month in advance. Modifications to the Bylaws shall be reported to the WEAT Executive Board and the Endowment Representatives.

The forgoing Bylaws of the Water Environment Association of Texas Scholarship Fund were approved by the Board of Directors on March 26, 2013.

  
Secretary