

Qualification of Directors of Municipal Utility Districts

(Texas Water Code, Section 54.102)

- (a) To be qualified to serve as a director of a municipal utility district, a person must:
- (1) be at least 18 years old;
 - (2) be a resident citizen of the State of Texas; and
 - (3) either own land subject to taxation in the District or be a qualified voter within the District.

Disqualification of Members of Governing Boards

(Texas Water Code, Section 49.052)

- (a) A person is disqualified from serving as a member of a board of a district that includes less than all the territory in at least one county and which, if located within the corporate area of a city or cities, includes within its boundaries less than 75 percent of the incorporated area of the city or cities, if that person:
- (1) is related within the third degree of affinity or consanguinity to a developer of property in the district, any other member of the board, or the manager, engineer, attorney, or other person providing professional services to the district;
 - (2) is an employee of any developer of property in the district or any director, manager, engineer, attorney, or other person providing professional services to the district or a developer of property in the district in connection with the district or property located in the district;
 - (3) is a developer of property in the district;
 - (4) is serving as an attorney, consultant, engineer, manager, architect, or in some other professional capacity for the district or a developer of property in the district in connection with the district or property located in the district;
 - (5) (A) is a party to a contract with or along with the district except for the purchase of public services furnished by the district to the public generally; or
(B) is a party to a contract with or along with a developer of property in the district relating to the district or to property within the district, other than a contract limited solely to the purpose of purchasing or conveying real property in the district for the purpose of either establishing a permanent residence, establishing a commercial business within the district, or qualifying as a director; or
 - (6) during the term of office, fails to maintain the qualifications required by law to serve as a director.

- (b) Within 60 days after the governing board determines a relationship or employment exists which constitutes a disqualification under Subsection (a) of this section, it shall replace the person serving as a member of the governing board with a person who would not be disqualified.
- (c) Any person who willfully occupies an office as a member of a board and exercises the powers and duties of that office when disqualified under the provisions of Subsection (a) is guilty of a misdemeanor and, on conviction, shall be fined not less than \$100 nor more than \$1,000.
- (d) As used in this section, "developer of property in the district" means any person who owns land located within a district covered under this section and who has divided or proposes to divide the land into two or more parts for the purpose of laying out any subdivision or any tract of land or any addition to any town or city, or for laying out suburban lots or building lots, or any lots, and streets, alleys, or parks or other portions intended for public use, or the use of purchasers or owners of lots fronting thereon or adjacent thereto.
- (e) Any rights obtained by any third party through official action of a board covered by this section are not impaired or affected by the disqualification under this section of any member of the board to serve, provided that the third party had no knowledge at the time the rights were obtained of the fact that the member of the board was disqualified to serve.
- (f) This section shall not apply to special water authorities, districts described in Section 49.181(h)(4) or a district where the principal function of the district is to provide irrigation water to agricultural lands or to provide non-potable water for any purpose. [This exception is not applicable to most municipal utility districts.]
- (g) A board by unanimous vote of its remaining members may remove a board member only if that board member has missed one-half or more of the regular meetings scheduled during the prior 12 months. Any board member so removed may file a written appeal with the Texas Commission on Environmental Quality ("TCEQ") within 30 days after receiving written notice of the board action. The TCEQ may reinstate a removed director if the TCEQ finds that the removal was unwarranted under the circumstances, including the reasons for absences, the time and place of the meetings missed, the business conducted at the meetings missed, and any other facts or circumstances the TCEQ may deem relevant.