



The Brazos Valley Groundwater Conservation District

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DISTRICT BYLAWS

SECTION 1. DISTRICT CREATION

1.1. District Creation and Purpose.

The Brazos Valley Groundwater Conservation District (District) was created by the Act of May 28, 1999, 76th Leg., R.S., ch. 1331, ' 1(a)(2), 1999 Tex. Gen. Laws 4536 (SB 1911) and was later ratified by Act of May 26, 2001, 77th Leg., R.S., ch. 1307 (HB 1784) (District Act) as a governmental agency and a body politic and corporate.

The District's creation was confirmed by a majority vote of its residents on November 5, 2002. Its boundaries are coextensive with the boundaries of Robertson and Brazos counties. It was created under and is essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution. All of the land and other property included within the boundaries of the District will be benefited by the works and projects that are to be accomplished by the District under powers conferred by the Texas Constitution. The District was created to serve a public use and benefit.

SECTION 2. BOARD OF DIRECTORS

2.1. Management of the District.

The Board is responsible for the management of all the affairs of the District. The District shall employ or contract with all persons, firms, partnerships, corporations, or other entities, public or private, deemed necessary by the board for the conduct of the affairs of the district.

2.2 Initial Board of Directors.

Initial directors serve until permanent directors have been appointed, which will occur as soon as possible after the District's confirmation election.

2.3. Terms of Office of Permanent Directors.

The first permanent directors sworn in to office, after the District's confirmation election, must draw lots to determine the length of their terms of office. Two directors from Robertson County and two directors from Brazos County will serve terms that will expire on January 1, 2005. Two directors from Robertson County and two directors from Brazos County will serve terms that will expire on January 1, 2007.

Each of the directors shall then serve four-year terms, which are staggered in accordance to the drawing of lots for office terms by the first permanent directors of the District.

2.4. Elections of Officers.

- A. As soon as the first permanent directors, are sworn in and take the oath of office, the Board shall meet and elect a president, vice president, secretary and/or secretary/treasurer, and any other officer or assistant officers as the Board may deem necessary.
- B. The Board shall meet and elect new officers annually at the first meeting following January 1 of each year. The Board shall also fill vacant officer positions as needed.
- C. The president is the chief executive officer of the District, presides at all meetings of the Board, and shall execute all documents on behalf of the District. The vice president shall act as president in case of the absence or disability of the president. The secretary is responsible for seeing that all records and books of the District are properly kept and shall attest the president's signature on all documents.
- D. After any appointment of a director, the District shall notify the Executive Director of the Texas Commission on Environmental Quality within 30 days of the appointment of the director's name, address, and expiration of term of office.
- E. A director serves until the director's successor has qualified.

2.5. Fees of Office; Reimbursement.

A director is not entitled to receive compensation for serving as a director, but may be reimbursed for actual, reasonable, expenses incurred in the discharge of official duties.

2.6. Indemnification of Directors and Employees.

Each director and employee is indemnified by the District against any liability imposed upon him and for any expense reasonably incurred by him in connection with any claim made against him, or any action, suit or proceeding to which he may be a party by reason of his being, or having been, a director or employee, and against such sums as counsel selected by the Board shall deem reasonable payment made in settlement of any such claim, action, suit, or proceeding; provided, however, that no director or employee shall be indemnified with respect to actual damages arising out of a cause of action for a willful act of omission, an act or omission constituting gross negligence or official misconduct, or with respect to matters for which such indemnification would be unlawful or against public policy. Any right of indemnification granted by this Section is in addition to and not in lieu of any other such right of which any director or employee of the District may at any time be entitled under the laws of the State of Texas; and if any indemnification that would otherwise be granted by this Section is disallowed by any competent court or administrative body as illegal or against public policy, then any director or employee with respect to whom such adjudication was made, and any other director or employee, shall be indemnified to the fullest extent permitted by law and public policy, it being the express intent of the District to indemnify its directors and employees to the fullest extent possible in conformity with these Bylaws, all applicable laws and public policy. The District may purchase and maintain insurance on behalf of any person who is a director or employee

of the District in any capacity, or arising out of his status as such. The indemnification provided herein shall inure to the benefit of the heirs, executors, and administrators of the directors and employees of the District.

2.7. Board Meetings.

- A. Regular Meetings. The Board will hold a regular meeting, at least quarterly, as the Board may establish from time to time by resolution. At the request of the President, or by written request of at least three members, the Board may hold special meetings. All Board meetings will be held according to the Open Meetings Act, Chapter 551, Texas Government Code.

A meeting of a committee of the Board where less than a quorum of any one board is present is not subject to the provisions of the Open Meetings Act.

The Boards may adopt rules of procedure. Such rules may not conflict with orders or resolutions of the Board, or State law. If the Board does not adopt rules of procedure, it shall be governed by Robert's Rules of Order when procedural questions arise, insofar as Robert's Rules of Order does not conflict with orders or resolutions of the District, or State law.

- B. Work Sessions. From time to time as may be necessary, the Board may hold work sessions to discuss and evaluate issues in such detail as to require open and free discussion not normally possible in regular Board meetings. During work sessions of the Board, no public comment will be heard, unless specifically requested by a Director and recognized by the Board chair. Public comment may be made at the time the item(s) is up for discussion at a regular Board Meeting.

2.8. Public Comment.

During Board meetings, other than a work session, public comment may be heard by the Board. Public comment during a Board meeting will be of two types:

- (1) Public comments of a general nature may be made under the public comment item on the agenda; or
- (2) Specific comments on any posted agenda item may be made following recognition of the speaker by the Board chair. Such comments may be made after the presentation of the item, or during the Board discussion of the item, if the speaker is called upon.

Public comments of either type will be accepted by the Board chair only after the person wishing to speak has completed an information card, which is available at the meeting. The card must contain the speakers name, address, phone number, and the number of the agenda item that will be addressed, if applicable. A speaker may speak for three (3) minutes or less. Speakers shall address only the item for which they signed up, unless their general comment is heard during the Public Comment period. No speaker will be allowed to pass his time to someone else, nor will be permitted to repeat comments made by another, except to concur with those remarks.

2.9. Cancellation of Posted Meetings.

All meetings requiring posting in accordance with the Open Meetings Act will be held regardless of weather conditions when a quorum of the Board is present. Should weather conditions or other circumstances prohibit the regular meeting, the meeting will be rescheduled for a later date, not sooner than seventy-two (72) hours after the canceled meeting, unless posted as an emergency in compliance with State Law.

2.10. Subcommittees

The President of the Board may establish subcommittees of the Board, and appoint the chair and membership of the committees. The Board shall have an audit and/or finance committee.

SECTION 3. PUBLIC COMMITTEES

3.1. Public Committee Memberships.

The President of the Board may establish committees for formulation of policy recommendations to the Board. The Board shall appoint the chair and membership of the committees.

Members of the various committees shall be appointed from residents of the District as much as is feasible. Membership may include individuals residing outside the District when it would be in the best interest of the committee's work efforts and the District. Membership is voluntary and without compensation.

- A. Members of committees will be selected from persons recommended to the Board by directors, public officials, and citizen request.
- B. All members appointed to a committee by the Board or Board President shall have a single vote on any issue before the committee.
- C. Written proxy votes may be accepted when the vote is cast by an informed and active committee member as determined by the committee chair.
- D. Members of the committees are appointed by the directors. Technical representatives are appointed by the Board, based on recommendations from the General Manager.
- E. Committee size will be limited to a number that may reasonably address an issue and will be determined by the Board. Subcommittees appointed by the committee chair may be formed to create a work product for Board and/or full committee review and input.

- F. Members of committees who miss three or more consecutive committee meetings may, at the request of the committee chair, be replaced by the appointing director.

SECTION 4. CODE OF ETHICS

4.1. Conflict of Interest.

All members of the Board, employees, and agents shall disclose any conflicts of interest that may exist between the personal interests of that board member, officer, employee, or agent and to avoid taking responsibility for District decisions related to areas in which those conflicts exist.

- A. Board Action. Each District official shall comply with Chapter 171 of the Texas Local Government Code to the extent applicable. Board members shall, pursuant to the standards of Texas Local Government Code ' 171.001, et seq., disclose any conflict of interest with matters pending before the Board execute an Affidavit disclosing such interest, and refrain from participation in the discussion on such matters.
- B. Directors, employees, and agents. Any director, employee, or agent of the District, using the standards specified by Texas Local Government Code ' 171.001, et seq., shall disclose to his supervisor any conflict of interest that exists with regard to District business for which that director, agent, or employee has responsibility. The General Manager shall make a written record of the conflict and be responsible for independently reviewing all decisions made by the director, employee, or agent in that area.

4.2. Standards of Conduct.

- A. No director or employee should accept or solicit any gift, favor, or service that might reasonably tend to influence him in the discharge of his official duties or that he knows or should know is being offered him with the intent to influence his official conduct.
- B. No director or employee should accept employment or engage in any business or professional activity that he might reasonably expect would require or induce him to disclose confidential information acquired by reason of his official position.
- C. No director or employee should accept other employment or compensation that could reasonably be expected to impair his independence of judgment in the performance of his official duties.
- D. No director or employee should make personal investments that could reasonably be expected to create a substantial conflict between his private interest and the public interest.

- E. No director or employee should intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised his official powers or performed his official duties in favor of another.

4.3. Nepotism.

All Board members shall comply with the standards enunciated in Texas Government Code ' 573.041. Board members may not appoint, confirm the appointment of, or vote for the appointment or confirmation of the appointment of an individual to a position that is directly or indirectly compensated from public funds or fees of office if the individual is related to the board member within the third degree of consanguinity or within the second degree by affinity, as defined in Texas Government Code ' 573.002.

SECTION 5. ADMINISTRATION

5.1. General Manager.

The Board may employ or contract with a person/entity to perform such services as general manager for the District as the Board may from time to time specify. The Board may delegate to the general manager full authority to manage and operate the offices of the District subject only to orders of the Board. The Board will determine the salary and/or review the position of general manager each year at the beginning of the third quarter of every fiscal year.

The board may delegate to the general manager the authority to employ all persons necessary for the proper handling of the business and operation of the district and to determine the compensation to be paid all employees other than the general manager.

If the Board has not appointed a general manager, the Board shall act to manage the District and may perform any function of the General Manager identified by these rules.

5.2. Delegation of Authority.

The General Manager may delegate his administrative duties as may be necessary to effectively and expeditiously accomplish his duties, provided, however, that no such delegation shall ever relieve him of responsibilities that are ultimately his under the Act, Rules and Bylaws, or Board orders.

5.3. Travel Expenses.

- A. The General Manager, with the Board's approval, shall provide and periodically revise a written policy concerning the incurring and reimbursement of travel expenses on District business. Directors and employees shall be entitled to reimbursement for actual and necessary expenses incurred in performing District business.

Travel expenditures submitted for reimbursement must be approved by the General Manager or Board President, or the Board Vice President in the absence of the Board President.

Travel will be reimbursed at the current mileage rate established by the Internal Revenue Service.

B. Normal Reimbursable Expenses:

"Actual and necessary expenses" includes:

- (1) Mileage -- All mileage traveled in behalf of District related matters;
- (2) Travel -- All actual costs incurred in out-of-town District related business (taxi, bus, air, car, rental, gasoline, etc.);
- (3) Parking/Tolls -- All, anywhere;
- (4) Telephone -- All for District business; and
- (5) Lodging -- All costs for lodging and meals on out-of-town trips and other District business.
- (6) Conventions/Seminars -- The General Manager has the privilege and discretion to attend or approve District staff attendance at conventions and/or seminars where matters pertinent to District business are to be discussed or where there is to be an exchange in regards to information, education, or legislation pertinent to District business. The General Manager will seek approval of the Board to attend out of state conventions and/or seminars of interest and value to the District.
- (7) Purchasing -- The General Manager is entrusted and has the authority to purchase education, conservation, and/or pollution related materials to be used by the District, while attending meetings with state agencies, political subdivisions, conventions, seminars, or other conferences.
- (8) Food/Beverage -- The General Manager is entrusted with the privilege and discretion of purchasing food and/or non-alcoholic beverages within budget constraints.

Original receipt or proper documentation, must be submitted in order to be reimbursed.

5.4. Employee Benefits

The Board may provide for and administer retirement disability, and death compensation funds for the employees of the District.

The Board may establish a public retirement system in accordance with the provisions of Chapter 810, Texas Government Code. The Board may also provide for a deferred compensation plan described by Section 457 of the Internal Revenue Code of 1986, 26 U.S.C. ' 457.

The Board may include hospitalization and medical benefits to its employees as part of the compensation paid to the employees and may adopt any plan, rule, or regulation in connection with it and amend or change the plan, rule, or regulation as it may determine necessary.

SECTION 6. OPERATIONAL PROCEDURES

6.1. Operational Procedures.

The Board or the General Manager may establish and approve operational procedures for the District and such other procedures mandated by state law.

SECTION 7. USE OF CONSULTANTS

7.1. Use of Consultants.

The Board shall set the compensation and terms for consultants. In selecting attorneys, engineers, auditors, financial advisors, or other professional services as defined by law, the District shall follow the procedures provided in the Professional Services Procurement Act, Subchapter A, Chapter 2254, Texas Government Code.

SECTION 8. ANNUAL REPORT

8.1. Annual Report.

The President or the General Manager shall report to the Board on the status of the District and its programs at fiscal year end. The report may include at least the following: (i) the status of the Aquifer and the District's programs to protect and conserve the Aquifer; (ii) a financial report, including a report from the Board's audit committee, and a report on the performance and security of District investments; (iii) a review and evaluation of professional services rendered to the District during the year; (iv) a report on the status of any capital projects of the Districts; and (v) an evaluation of the District's performance in light of long range plans developed pursuant to Section 36.1071, Texas Water Code.

SECTION 9. DISTRICT

9.1. District Address.

The District's mailing address is P.O. Box 528, Hearne, Texas 77859. Such address may be changed by resolution of the Board.

9.2. Minutes and Records of the District.

The Board shall keep a complete account of all of its meetings and proceedings and shall preserve its minutes, contracts, records, notices, accounts, receipts, and other records in a safe place. The records of the District are the property of the District and are subject to Chapter 552, Texas Government Code.

The preservation, storage, destruction, or other disposition of the records of each district is subject to the requirements of Chapter 201, Texas Local Government Code, and the rules adopted there under. All documents, reports, records, and minutes of the District are available for public inspection and copying following the Open Records Act. Upon written application of any person, the District will furnish copies of its public records. A copying charge pursuant to policies established by the District. A list of the charges for copies will be furnished by the District.

9.3. Certified Copies.

Requests for certified copies must be in writing. A certification charge and copying charge may be assessed, pursuant to policies established by the Board.

9.4. Office Hours.

The regular office hours of the District shall be 8:00 a.m. to 5:00 p.m., Monday through Friday, except for District holidays, or as may be set from time to time by the Board.

9.5. Official Seal.

The Board by resolution may adopt an official seal for the District to be used on permits and other official documents of the District.

SECTION 10. FINANCIAL

10.1. Contracts, Instruments, and Documents.

The Board may authorize the President or the General Manager to negotiate a contract and deliver any instrument or document in the name of and on behalf of the District, and such authority may be

general or confined to specific instances. All contracts shall be executed by the President and attested by the Board Secretary, and approved by General Counsel, as requested by the Board, unless otherwise provided in the Board's Order / Resolution regarding the contract.

10.2. Bond Requirement.

The Board shall require an officer, employee, or consultant who collects, pays, or handles any funds of the District to furnish good and sufficient bond, payable to the District, in an amount determined by the Board to be sufficient to safeguard the District. The bond shall be conditioned on the faithful performance of that person's duties and on accounting for all funds and property of the District. Such bond shall be signed or endorsed by a surety company authorized to do business in Texas.

The Board may pay the premium on surety bonds required of officials, employees, or consultants of the District out of any available funds of the District, including proceeds from the sale of bonds.

10.3. Loans.

No loans shall be contracted on behalf of the District, and no evidence of indebtedness shall be issued in its name, unless authorized by order or resolution of the Board, executed by the President, and attested to by the Board Secretary.

10.4. Banking and Investments.

- A. Checks, Drafts, etc. All checks, drafts, notes, or other orders for the payment of money issued in the name of the District shall be signed by such officers or employees of the District as shall from time to time be authorized by order or resolution of the Board.

- B. Depositories. All funds of the District, except petty cash, shall be deposited from time to time to the credit of the District in such banks or accounts as the Board may, from time to time, designate, and upon such terms and conditions as shall be fixed by the Board, unless otherwise required by orders or resolutions authorizing the issuance of the District's bonds or notes. The Board may, from time to time, authorize the opening and maintaining of general and special accounts within any such depository as it may designate, and may make such special rules and regulations with respect thereto as it may deem expedient. To the extent that funds in the depository bank or banks are not insured by the Federal Deposit Insurance Corporation, they shall be secured as provided by Texas Water Code Section 36.155. The depository shall be located within the counties of the District unless the Board determines that a suitable depository cannot be found within the counties. The Board may also utilize the Texas Treasury Safekeeping Trust Company, commonly referred to as "TEXPOOL" as a depository.

- C. Investments. The Board may provide that an authorized representative of the District may invest and reinvest the funds of the District and provide for money to be withdrawn from the

appropriate accounts of the District for such investments on terms as the Board considers advisable. Unless expressly authorized by the Board, such investments must be made in direct or indirect obligations of the United States, the State, or any county, city, school district or other political subdivision of the State, or in certificates of deposit of state or national banks, saving and loans associations within the State of Texas, or the Texas Treasury Safekeeping Trust Company, provided that such certificates are secured in the manner provided for the security of the funds of counties of the State of Texas. All purchases and sales of investments must conform to investment objectives and regulations and are properly documented and approved. Periodic reviews of District investments are required to evaluate investment performance and security.

10.5. Audit.

The Board, at the end of each fiscal year, shall have prepared an audit of its affairs by an independent certified public accountant or a firm of independent certified public accountants, which audit shall be open to public inspection. Such auditors shall have no personal interest directly or indirectly in the fiscal affairs of the District and shall be experienced and qualified in the accounting and auditing of public bodies. The audit shall be performed in accordance with generally accepted auditing standards, including the use of AAudits of State and Local Government Units@ as a guide on audit working papers and AGovernmental Accounting and Financial Reporting Standards,@ and shall satisfy all requirements imposed by Chapter 36, Texas Water Code. It is provided, however, that the District's auditors may undertake consulting services for the District in addition to their duties in connection with the annual audit.

10.6. Budget.

The Board shall adopt an annual budget prior to the commencement of the fiscal year, for use in planning and controlling cost. The budget shall contain a complete financial statement, including a statement, or estimate, if appropriate, of:

- (1) The outstanding obligations of the District;
- (2) The amount of cash on hand to the credit of each fund of the District;
- (3) The amount of money available to the District from all sources during the ensuing year;
- (4) The amounts of the balances expected at the end of the year in which the budget is being prepared;
- (5) The estimated amounts of revenues and balances available to cover the proposed budget; and

- (6) The estimated water use fee that will be required.

The annual budget may be amended on the Board's approval.

10.7. Setting Fee Schedule.

- A. Each year at the time that the Board approves its annual budget, the Board shall, by resolution, adopt a fee schedule to apply to all applications, registrations, inspections, and permits that are issued, renewed, or amended during the following fiscal year, as well as fees or for other services the District performs or fees to cover charges incurred by the District. The schedule shall establish a rate sufficient to produce revenues required by the budget and may include a reasonable allowance to take into account for the annual variability in pumping and groundwater demands.
- B. The Board may amend the fee schedule from time to time, as deemed appropriate by the Board and as allowed by the law.

10.8. Fiscal Year.

The District's fiscal year shall begin on the first day of January.

10.9. Purchasing.

The Board shall have the right to purchase all materials, supplies, equipment, vehicles, and machinery needed by the District to perform its purposes.

- A. Expenditures to acquire goods or services valued at greater than \$2,000 require approval by the Board in advance, unless an emergency occurs that endangers life or property and an emergency acquisition requiring an expenditure greater than \$2,000 shall be presented to the Board for approval and validation at its next following meeting. Emergency acquisitions valued at less than \$5,000 may be made by the General Manager and approved by the Board President without prior Board approval and if within budget constraints.
- B. No expenditures may be made that are not authorized by the budget. This requirement shall not, however, prevent the Board from amending the budget at the same time that it authorizes an expenditure, provided that funds are available in other budget categories or that reserve funds are available.
- C. In the case of acquisitions of goods valued at \$1,000 or more, competitive quotations shall be obtained from three vendors, if possible, and documented for the District's records prior to making the purchase.

- D. The Board may solicit proposals for professional services according to the Professional Services Procurement Act, Chapter 2254, Government Code, Subchapter A.
- E. The Board authorizes purchasing through the State's cooperative local purchasing program, established under Texas Local Government Code ' ' 271.081, et seq.
- F. Construction contracts and contracts for the acquisition of materials and machinery requiring the expenditure of \$25,000 or more may be competitively bid, or as provided by law.