



VICTORIA COUNTY GROUNDWATER

CONSERVATION DISTRICT

BY-LAWS

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Board Secretary
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SECTION 1. DISTRICT CREATION, PURPOSE & POWERS

1.1 District Creation and Purpose

- (a) The Victoria County Groundwater Conservation District (the "District") was created under the authority of Section 59, Article XVI, of the Texas Constitution and in accordance with Chapter 36 of the Texas Water Code by the 79th Texas Legislature with the Act HB 3423 ("the District Act"), as a governmental agency and a body politic and corporate. The District was created to serve a public use and benefit, and is essential to accomplish the objectives set forth in Section 59, Article XVI, of the Texas Constitution. The District's boundaries are coextensive with the boundaries of Victoria County, and all lands and other property within these boundaries will benefit from the works and projects that will be accomplished by the District.

1.2 Powers of the District

- (a) Except as otherwise specified by the District Act, the District has all of the rights, powers, privileges, authority, functions, and duties provided by the general laws of this state, including Chapter 36 of the Texas Water Code, applicable to groundwater conservation districts created under Section 59, Article XVI, of the Texas Constitution.

SECTION 2. THE BOARD OF DIRECTORS

2.1 Purpose of the Board

- (a) The Board was created to shape policy and regulate the withdrawal of groundwater within the District in order to provide for the conservation, preservation, protection, recharging, and prevention of waste of District groundwater, as well as to exercise its rights, powers, and duties in a manner that will effectively and expeditiously accomplish the purposes of the Act creating the District, Chapter 36 of the Texas Water Code, and Section 59, Article XVI, of the Texas Constitution. The Board's responsibilities include, but are not limited to, the adoption and enforcement of reasonable rules, policies, permits, orders, and a management plan.

2.2 Terms of Office

- (a) The business, powers and duties, rights and privileges, functions and property of the District shall be conducted, controlled, and managed to the extent authorized by law and these by-laws by a Board of five (5) Directors, four of whom have been elected from their Victoria County Commissioners' Precincts and one Director elected by the County at large. Directors will be elected for a four year term. Directors shall continue to serve until their successor is elected, qualified, and properly sworn in. Directors are eligible to run for re-election. Should a vacancy occur on the Board for any reason, the Board shall appoint a replacement. Section 36.051 ©, Texas Water Code, shall control the need for and method of an election to fill a vacancy. Within thirty (30) days after any election or appointment of a Director, the District shall notify the Executive Director of the Texas Commission on Environmental Quality.

2.3 Guidelines for Directors

- (a) As soon as practicable after a Director is elected or appointed, the Director shall be sworn in, take the oath of office, and execute a bond, as required by Texas Water Code, Section 36.055. The District shall file the sworn statement, oath, and bond as prescribed in Section 36.055(d).

- (b) A Director is not entitled to compensation for service on the Board of Directors, but may be reimbursed for actual expenses incurred in carrying out the duties of The District.

- (c) Upon a Director relinquishing their office the Director shall return all keys, and other water district supplied items.

2.4 Officers' Responsibilities

- (a) After each Director's election, the Board shall meet and elect three officers whose titles shall be President, Vice-President, and Secretary/Treasurer. Officers shall be elected annually for terms of one year at the Board's first meeting in January or at such time as is necessary to fill a vacancy for the remainder of a one-year term. The President shall preside at all Board meetings, execute all documents on behalf of the District, and perform other duties prescribed by the Board. The Vice-President shall act as the President in case of the absence or disability of the President, and perform other duties prescribed by the Board. The Secretary/Treasurer shall be responsible for preparing, organizing, and maintaining the Board meeting minutes and District documents, financial records, and the official District Seal, according to the requirements of Texas Water Code Section 36.065. The Secretary/Treasurer shall attest the President's signature on all documents, and shall perform other duties prescribed by the Board.

2.5 Indemnification of Directors and Employees

- (a) 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.

SECTION 3. BOARD MEETINGS

3.1 Quorum

- (a) Except as where otherwise provided by law, or by these By-Laws, a quorum of the Board of Directors consists of a majority of the number of authorized positions on the Board of Directors. All actions of the Board of Directors shall require three (3) affirmative votes.

- (b) A Director is not entitled to compensation for service on the Board of Directors, but may be reimbursed for actual expenses incurred in carrying out the duties of The District.

3.2 Regular Scheduled Meetings

- (a) The Board of Directors shall plan to meet at least once each month, at the discretion of the Board of Directors, in the principal office of the District or where notified according to the Texas Open Meetings Act, Chapter 551, Government Code, at a time to be set by the Board of Directors.

3.3 Work Sessions

- (a) 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.

3.4 Special Board Meetings

- (a) Special meetings of the Board of Directors shall be held upon the call of the President of the Board of Directors or upon the written request of at least two (2) members of the Board of Directors. Such written request shall be signed by members making same, shall state the purpose of such meeting, the time and place where it is to be held, and shall be addressed and delivered to the Secretary of the District's Board of Directors.

- (b) Public Notice of special meetings of the Board of Directors must be given and made in compliance with the Open Meetings Act, Chapter 551, Government Code. Written notice of all special meetings shall be given to all members of the Board of Directors at least two (2) working days prior to the date of such meeting, provided, however, that such

written notice of any meeting may be waived by the Board of Directors by unanimous consent.

3.5 Public Hearings

- (a) From time to time a Board Meeting may serve as a Public Hearing to address specific matters such as the annual budget, tax rates, fee schedules, rule changes, and other matters where a Public Hearing is legally required.

- (b) All actions on District rules shall be taken following a Public Hearing. In addition to the Open Meetings Act notice for a Board Meeting, the District shall publish the agenda of a Public Hearing on District Rules in at least one newspaper of general circulation in Victoria County.

- (c) The Board shall provide members of the public an opportunity to speak at all Public Hearings. The Board may set reasonable limits on the number, frequency, and length of presentations before it, but shall not unfairly discriminate among speakers for or against a particular point of view.

3.6 Public Comment

- (a) 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.

- (b) 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.

3.7 Public Committee Memberships

- (a) 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.

- (b) 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.
 - 1. Members of committees will be selected from persons recommended to the Board by directors, public officials, and citizen request.

 - 2. All members appointed to a committee by the Board or Board President shall have a single vote on any issue before the committee.

 - 3. Written proxy votes may be accepted when the vote is cast by an informed and active committee member as determined by the committee chair.

- (c) Members of the committees are appointed by the directors. Technical representatives are appointed by the Board, based on recommendations from the General Manager.

- (d) 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.

- (e) 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. ADMINISTRATION

4.1 General Manager

- (a) The Board may employ or contract with a person to perform those services as General Manager for the District as the Board may from time to time specify. The General Manager shall have full authority to manage and operate the affairs of the District, subject only to orders of the Board

- (b) The Board may delegate to the General Manager the authority to employ all persons necessary for the proper handling of the business and operations of the District and to determine the compensation to be paid all employees other than the General Manager.

- (c) A Director may be employed as General Manager of the District. The compensation of a General Manager who also serves as a Director shall be established by the other Directors.

- (d) The person employed by the Board as General Manager shall be the chief administrative officer of the District and shall have full authority to manage and operate the affairs of the District, subject only to the direction given by the Board through policies and resolutions adopted by it. At least annually, the Board shall determine the compensation to be paid to the General Manger and review the actions and performance of the General Manager to determine how the General Manager has fulfilled his responsibilities and whether additional responsibilities should be delegated to him.

- (e) In the absence of a General Manager, the President shall exercise all of the duties delegated to the General Manager under the Rules of the District.

4.2 Delegation of Authority

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

4.3 Reimbursable Expenses

(a) Travel Expenses

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.

Transportation costs for Directors on days when there are scheduled District meetings will not be paid. These transportation costs are included in the payment for attending meetings. Any Director who declines per diem compensation for his/her duties as a Director may receive transportation expenses for attending meetings.

The General Manager or Board President, or the Board Vice President must approve travel expenditures submitted for reimbursement 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.
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, 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. The District may provide a per diem allowance to Directors or staff to cover food and/or beverage expenses incurred while on District business. Original receipt or proper documentation must be submitted in order to be reimbursed.

SECTION 5. MANAGEMENT OF DISTRICT

5.1 Management of District

- (a) The Board shall be 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, including, but not limited to, engineers, attorneys, financial advisors, operators, bookkeepers, tax assessors and collectors, auditors, and administrative staff.

- (b) The Board shall set the compensation and terms for consultants.

- (c) In selecting attorneys, engineers, auditors, financial advisors, or other professional consultants, the District shall follow the procedures provided in the Professional Services Procurement Act, Subchapter A, Chapter 2254, Texas Government Code.

- (d) The Board shall require any 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 a bond shall be signed or endorsed by a surety company authorized to do business in the State of Texas.

- (e) The Board may pay a 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.

- (f) The Board may adopt Bylaws to govern the affairs of the District to perform its purposes, and amend them from time to time. The Board may, by resolution, authorize the General Manager or other employee to execute documents on behalf of the District.

- (g) The Board shall also have the right to purchase all materials, supplies, equipment, vehicles, and machinery needed by the District to conduct its affairs.

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- (h) The Board shall utilize appropriate procurement tools and procedures, such as Requests for Proposals (RFPs) and Request for Qualifications (RFQs) to obtain professional services to ensure best use of district resources. Request for professional services shall be published as practical given budget considerations and time constraints.

- (i) The Board shall consider all responsive proposals to requests for professional services and base their selection of the preferred respondent based on a formal evaluation of all responsive proposals to ensure best use of district resources.

- (j) The Board shall be responsible for monitoring the performance of all consultant providing professional services to the District while services are being provided to the District. The Board shall consider the performance of all consultant at the end of an agreement including an evaluation of any products delivered to the District as part of the agreement to ensure best use of district resources. The Board may assign any monitoring and evaluation tasks to the general manager or any such person it deems necessary and appropriate.

- (k) The Board shall annually adopt a budget for the use in planning and controlling District costs. The budget shall contain a complete financial statement including statements regarding outstanding obligations, cash on hand by fund, revenue from previous year, revenue from the ensuing year, end of year fund balances, revenue and balance estimates for the proposed budget, and an estimate of tax rate and fees necessary for the budget. The adopted budget may be amended by the board at any time during the fiscal year.

- (l) The Board shall establish an Audit and Finance Committee comprised of at least two directors and any such persons the Board may deem necessary to conduct an annual review of District financial information and to review the annual financial audit. The committee shall make recommendations to the Board regarding its financial review and financial audit.

- (m) The Board shall seek and obtain the services of a certified public accountant (CPA) to conduct an audit of the District financial records, financial accounts, investments, and associated practices and procedures to ensure the proper use and management of district resources. The resulting audit report shall be conducted in conformity with uniform report requirements that use "Audit of State and Local Governmental Units" and

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"Governmental Accounting and Financial Reporting Standards." The audit report shall be submitted to the District within 120 days after the end of the fiscal year for which the audit was conducted. The Board shall consider the audit report within 180 days after the end of the fiscal year for which the audit was conducted.

SECTION 6. CODE OF ETHICS

6.1 Standards of Conduct

- (a) No Director or employee shall 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 shall 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 shall 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 shall 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 shall 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.

- (f) As provided by Chapter 171, Local Government Code, Board directors shall be prohibited from participating in a decision on any matter involving an entity in which the director(s) has a substantial interest if it is reasonably foreseeable that decision on the matter would confer a benefit on the entity as this represents a conflict of interest. Board directors shall disclose the nature and extent of any conflict of interest, by written affidavit, to the Board Secretary and District upon identification of the conflict.