

BLANCO-PEDERNALES GROUNDWATER CONSERVATION DISTRICT

ADOPTED BYLAWS

Adopted April 17, 2008 - Effective April 17, 2008

- Amended June 19, 2014 - Effective Date June 19, 2014 - provide for Director Employees and Salary
- Amended July 17, 2014 - Effective Date July 17, 2014 - add Employment Agreement for Directors
- Amended September 15, 2016 - Effective Date October 1, 2016 - remove June 19, 2014, and July 17, 2014, amendments, replace with previous language regarding Directors serving with no compensation.
- Amended January 24, 2019 - Effective Date January 24, 2019 - revise Section 9.3 signatory authority.
- Amended July 15, 2021 – Effective Date July 15, 2021 – modify Section 2.1, delete Section 2.6 Public Participation (now BPGCD Rule 1.8), & add legal counsel communication authorizations in Section 4.1.
- Amended June 15, 2023-Effective Date June 15, 2023- expand Bylaw 9.4 to allow District funds to be placed in depositories outside Blanco County if the depository has an office in the State of Texas
- Amended August 15, 2024-Effective Date August 15, 2024-remove post office box from mailing address in 8.1.

1.0 BOARD OF DIRECTORS

1.1 Composition

A Board of Directors composed of five members governs the Blanco Pedernales Groundwater Conservation District. Each Director shall occupy a place on the Board with the places designated as Precincts 1, 2, 3, 4, and At Large. Precincts 1, 2, 3 and 4 are the Blanco County Precincts determined by law. Precincts 1, 2, 3 and 4 shall be elected by and represent the voters in Precincts 1, 2, 3 and 4 respectively. The Director At Large shall be elected and represent the voters of Blanco County as a whole and must be a registered voter in one of the Blanco County precincts. A person shall be a candidate for only one position. To be qualified for election as a Director for Precincts 1, 2, 3 or 4, a person must be a registered voter in the Precinct. The person will represent and meet the qualifications for public office contained in the Texas Election Code.

1.2 Elections:

Director elections shall be held in accordance with all applicable provisions of the Texas Election Code and Texas Water Code Section 36.059. Elections shall be held on the Texas general Election Day in May of odd-numbered years. Directors shall be elected for and serve a term of four years. Elections of Directors are staggered - Directors of Precincts 3 and 4 are elected during one election cycle and Directors of Precincts 1 and 2, and the Director at Large are elected during the election cycle occurring two years later. 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 (c), 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 (TCEQ), as required by Texas Water Code, Section 36.054(e).

Directors

Taking Office

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).

Resignation

A Director's resignation, to be effective, must be in writing, signed by the Director and delivered to the Secretary. If a Director submits a resignation, a vacancy occurs on the date the resignation is accepted by the Board of Directors or on the eighth day following receipt by the Secretary, whichever date is earlier.

No Power to Bind District

No Director shall have the power or authority to bind the District, to serve as a representative of the District, or to speak on behalf of the District unless so authorized by the Board. No Director shall have the authority to bind the District by any contract or engagement; pledge its credit; or render the District liable pecuniarily for any purpose or any amount, unless so authorized by the Board.

Serve Without Compensation

A Director is not entitled to compensation for service on the Board of Directors but may receive a monthly travel allowance in accordance with the current approved District Budget and may also be reimbursed for actual expenses reasonably and necessarily incurred while engaged in activities on behalf of the District; however, such expenses must be approved by the Board on a case-by-case basis.

(Amended September 15, 2016)

1.4 Officers:

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 for terms of one year at the Board's first meeting in June or at such time as is necessary to fill a vacancy for the remainder of a one-year term. Within 30 days after the election of any officer, the District shall notify the Executive Director of the Texas Commission on Environmental Quality, as required by Texas Water Code, Section 36.054(e).

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.

1.5 Indemnification of Directors and Employees:

The District may purchase and maintain insurance or bonding 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 insure to the benefit of the heirs, executors, and administrators of each Director and employee of the District.

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 or 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 for 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 or 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 By-laws, all applicable laws and public policy.

1.6 Conflict of Interest:

Directors shall, pursuant to the provisions of Chapter 171, Local Government Code, the Texas Water Code, and the current District Code of Ethics, disclose any conflict of interest with matters pending before the Board and shall refrain from participation in the discussion or decision on such matters.

1.7 Standards of Conduct:

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.

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.

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.

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.

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.

Directors shall conduct themselves in an ethical manner recognizing their oath of office, and their responsibilities to the District and to their constituents and shall comply with all State laws related to the ethical standards for public officials.

2.0 BOARD MEETINGS

2.1 Meetings of the Board:

Board Meetings include regular, special, and called meetings, which can be Work Sessions and Public Hearings.

All Board Meetings are subject to the Open Meetings Act, Chapter 551 of the Texas Government Code and the following provisions:

- They shall be open to the public and held in a location accessible to the public.
- Notice of all Board Meetings shall be provided as required by the Open Meetings Act.
- A quorum of the Board must be present to conduct District business. A quorum exists when three or more Directors are present.
- A concurrence of a majority of the entire Board is required for transacting any business of the District. When the quorum is three Directors, all three Directors must vote in agreement to make the majority vote.
- To the extent necessary for orderly conduct of the proceedings, the Board may follow the guidelines of “Parliamentary Procedure at a Glance,” New Edition, by O. Garfield Jones.
- The Board shall offer members of the public an opportunity to provide public input in accordance with District Rule 1.8.
- The presiding officer may convene an Executive Session for purposes authorized by Subchapter D of the Open Meetings Act.

2.2 Regular, Special, and Called Meetings:

The Board shall schedule regular monthly meetings. The President or presiding officer may schedule a special or called Board Meeting. Three or more Directors, by written request, may schedule a special or called Board Meeting. Meetings may be rescheduled or cancelled by the President or the Board.

2.3 Work Sessions:

From time to time a special or called Board Meeting may serve as a Work Session. The purpose of a Work Session is to allow the Board and its employees to discuss and evaluate issues that may require lengthy presentations not generally possible during a regular Board Meeting. Work Sessions are primarily for the benefit of the Board and employees but may also benefit the general public. Work Sessions may also be called to hear and evaluate public and expert input on the subject of the Work Session.

2.4 Executive Sessions:

At any Board Meeting, the presiding officer may convene an Executive Session for purposes authorized by Subchapter D of the Open Meetings Act. Before conducting the Executive Session, the presiding officer shall announce that an Executive Session is being convened and

that it is closed to the public and shall identify the section or sections of the Open Meetings Act under which the closed meeting shall be held. No final action shall be taken in an Executive Session.

2.5 Public Hearings at a Board Meeting:

From time to time a Board Meeting may serve as a Public Hearing in accordance with Chapter 36 and District Rules 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.

3.0 COMMITTEES

3.1 Committees:

The President may establish and designate advisory committees for such other purposes as the President may deem necessary. All meetings of any such committees that include a quorum of the Board shall be subject to the provisions of the Texas Open Meetings Act.

3.2 Committee Memberships:

The President shall appoint the chair of each committee. Any Director may serve as committee chair or as a committee member. In order to reasonably address an issue, a committee shall be limited to a size deemed appropriate by either the President or the Board as a whole.

The President or the Board as a whole may appoint members of the committees in any manner appropriate to the formation of the committee and satisfactory to the purposes of the Board.

Members of the various committees shall be residents of the District insofar as feasible. Members of committees may be selected from persons recommended to the Board by Directors, the General Manager, public officials, and members of the general public. Membership may include individuals residing outside the District when it would be in the best interest of the District and would be of benefit to the committee's work efforts. When appointing someone from Blanco County who resides outside the appointing Director's precinct, the appointing Director shall consult the Director of the Precinct in which the proposed appointee resides.

Committee membership is voluntary and without compensation.

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

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

Subcommittees appointed by the committee chair may be formed to create a work product for Board and/or full committee review and input.

The appointing President or Board may, at the request of the committee chair, replace a member of a committee who misses three or more consecutive committee meetings.

4.0 EMPLOYEES

4.1 General Manager, Employees, and Legal Counsel:

The Board may employ a General Manager and set his salary. The Board may delegate any of its powers and duties (except those of adopting rules, a dissolution resolution, a dissolution order, and those relating to hearings, taxation, and bonds) to the General Manager who shall carry out the powers and duties delegated to him by the Board. Employment of personnel is subject to the general law on nepotism.

The General Manager, with the approval of the Board, may employ employees of the District and set their salaries, and hire legal counsel for the Board. To avoid conflicting or confusing communications between the District and its legal counsel, and to keep legal expenses to a minimum, all communications with District legal counsel (other than when legal counsel is present at a Board of Directors Meeting) shall be limited to the President of the Board or the General Manager. Any Director may seek an opinion from the District legal counsel at any open meeting of the Board by asking for a future agenda item and stating the applicable legal question(s). Either the Board President or the General Manager may ask the District Legal counsel to attend a Board of Directors meeting. If two Directors request that the District legal counsel be present at one or more date-specific meetings of the Board, the General Manager shall contact District legal counsel to schedule their attendance.

The General Manager shall, with the approval of the Board, develop a plan of works for the District, act as official liaison for the Board between the public and governmental agencies, and prepare budgets. The General Manager's position shall be reviewed yearly at the beginning of the fiscal year.

4.2 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 which are ultimately his under the District Rules and Bylaws or Board orders.

4.3 Employee Policy Manual:

The General Manager shall compose a written policy manual which includes a job description for each position, employee hiring practices, compensation, annual review, benefits, ethics, work schedules, and other policies affecting District employees. All such policy shall be approved by the Board and may be modified by the Board from time to time as needed or as may be appropriate.

4.4 Travel and Reimbursable Expenses:

The General Manager shall compose a written policy concerning the reimbursement of travel expenses and other expenses incurred by employees or Directors while performing District business. This policy shall be approved by the Board and may be modified by the Board from time to time as needed or as may be appropriate. This policy shall comply with Chapter 36 of Texas Water Code.

4.5 District Code of Ethics Related to Investments:

The General Manager shall compose a written policy concerning a code of ethics for Directors, officers, employees, and persons who are engaged in handling investments for the District. This policy shall be approved by the Board and may be modified by the Board from time to time as needed or as may be appropriate. This policy shall comply with Chapter 36 of the Texas Water Code.

5.0 GROUNDWATER MANAGEMENT PLAN

The General Manager shall prepare a District Groundwater Management Plan pursuant to Section 36.1071 for submission and approval by the Texas Water Development Board under Texas Water Code, Section 36.1072. The Plan may be updated annually, as needed, and will be updated at least every five years. In accordance with Section 36.108, the District shall participate in joint planning with other groundwater districts located in the Groundwater Management Area 9 under the terms required by Section 36.108 of the Texas Water Code. Following notice and a Public Hearing, the Groundwater Management Plan shall be approved by the Board and may be modified by the Board from time to time after notice and a Public Hearing. The District shall adopt rules necessary to implement the Groundwater Management Plan.

6.0 USE OF CONSULTANTS

The District may retain a consultant if deemed necessary.

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

Attorney-client communication between the District and its attorney is confidential. It may not be disclosed to the public unless approved by the Board. If an employee, contractor, or Director of the District discloses such information to the public, the Board may request the District Attorney for Blanco County to investigate and prosecute such action as a possible violation of Texas Penal Code §39.06: Misuse of Official Information.

7.0 ANNUAL REPORT

At fiscal year-end the President and/or General Manager shall report to the Board on the status of the District and its programs as required by Chapter 36, Texas Water Code. The report shall be available to the Board not later than one hundred twenty (120) days beyond the fiscal year end for Board approval.

8.0 DISTRICT ADMINISTRATION

8.1 District Address:

The District's mailing and physical address is 601 West Main St., Johnson City, Texas 78636. Such addresses may be changed by Board action.

8.2 Minutes and Records of the District:

Minutes shall be made of each Board meeting. A certified agenda shall be made and maintained for each Executive Session, except for those during which the Board seeks legal advice.

All documents, reports, records, taped recordings, and minutes of the District shall be available for public inspection in accordance with the Texas Public Information Act, Chapter 552, Texas Government Code. Upon application of any person, the District shall furnish copies, certified or otherwise, of any of its proceedings or other official acts of record or of any paper, map, or document filed in the District office, as required by law. Certified copies shall be made under the hand of the office secretary or General Manager and affixed with the seal of the District. Persons who are furnished any copies may be assessed a charge for the documents, pursuant to policies established by the General Manager based on the reasonable cost of furnishing such copies, as allowed by the Texas Public Information Act. The preservation, storage, destruction, or other disposition of the District's records is subject to Chapter 201, Texas Government Code.

8.3 Office Hours:

The regular office hours of the District shall be determined and posted for Monday through Friday, except for District holidays. From time to time, circumstances may require the General Manager to modify these hours on a temporary basis. Operating hours, both regular and temporary, shall be posted on or near the front door to the District office. Permanent changes in the District regular office hours may be approved by the Board from time to time as needed or as may be appropriate.,

8.4 Official Seal:

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

9.0 FINANCIAL

9.1 Contracts, Instruments, and Documents:

The Board may authorize the President or the General Manager to enter into any contract or to execute 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 either the President or the General Manager, attested by the Board Secretary, and, if deemed necessary by the Board, approved by the District's Legal Counsel. Any contract not so executed is void and of no effect on the District.

9.2 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 resolution of the Board, executed by the President, and attested to by the Board Secretary.

9.3 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 at least two Directors when in excess of one thousand dollars (\$1,000) or by one Director if one thousand dollars (\$1,000) or less. The Board may, by resolution, grant financial and banking signatory authority to certain officers or employees of the District. The

following regularly occurring, or time-sensitive expenditures are exempt from the two-signature requirement and may be authorized by a single signature.

- a) Payroll
- b) Retirement
- c) Credit Card payments for \$5,000 or less
- d) Insurance

9.4 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 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 and Texas Government Code Chapter 2257, the Public Funds Collateral Act. The depository shall be located within Blanco County unless the Board determines that a suitable depository cannot be found within the County, in which case, the depository must have an office or branch physically present within the state of Texas.

9.5 Investments:

The General Manager shall provide, in accordance with the Texas Water Code, Section 36.061(a) (3), a written policy concerning the handling of investments for the District which are authorized under Section 36.156. This policy shall be approved by the Board and may be modified by the Board from time to time as need or as may be appropriate.

9.6 Annual Audit:

The Board within one hundred twenty (120) days after the end of each fiscal year shall arrange for an audit of its financial affairs by an independent certified public accountant. This 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 and shall satisfy all requirements imposed by Texas Water Code, Section 36.153. The District's auditors may undertake consulting services for the District in addition to their duties in connection with the annual audit.

9.7 Budget:

Prior to the commencement of each fiscal year, the Board shall adopt an annual budget in accordance with Chapter 36, Texas Water Code. The budget shall contain a complete financial statement, including a statement or estimate of the requirements of Section 36.154.

After notice and a hearing, in accordance with District Rules, the Board shall approve its annual operating budget. Any resident of the District shall be allowed to participate in the budget hearing.

The Board may amend the budget from time-to-time following notice and a hearing in accordance with District Rules.

The District shall not make expenditures in excess of the total budgeted expenditures for a fiscal year unless the Board amends the budget.

9.8 Setting Tax and Fee Schedules:

Each year after notice and a hearing in accordance with District Rules, at the time that the Board approves its annual budget, the Board shall, by resolution, adopt the District-imposed ad valorem tax rate for the coming fiscal year. As part of this resolution, the Board may include a fee schedule for any application, registration, inspection, maps, document reproduction or other services the District performs or for any miscellaneous fees assessed to recover other charges incurred by the District. The Board may amend the fee schedule from time to time following a notice and a hearing in accordance with District Rules.

9.9 Fiscal Year:

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

9.10 Purchasing:

Expenditures to acquire goods or services which are not authorized by the budget and are valued at greater than five hundred dollars (\$500.00) require approval by the Board in advance. If the General Manager determines that an emergency acquisition must be made which is not authorized by the budget and requires an expenditure greater than five hundred dollars (\$500.00), he shall obtain prior verbal approval from the President. The transaction shall be presented to the Board for approval and validation at its next meeting. –In the case of acquisitions of goods or services valued at two thousand dollars (\$2,000.00) or more, competitive bids shall be obtained from three vendors, if possible, and documented for the District's records prior to making the expenditure, except as provided by the Professional Services Procurement Act, Chapter 2254, Texas Government Code.

The Board shall solicit proposals for professional services according to the Professional Services Procurement Act, Chapter 2254, Texas Government Code, Subchapter A.

10.0 AMENDMENT OF BYLAWS

After notice and hearing in accordance with District Rules, the Board may amend or repeal in whole or in part these Bylaws.