



HEMPHILL COUNTY
Underground Water Conservation District
Conserving a Texas Oasis

BYLAWS
OF THE HEMPILL COUNTY UNDERGROUND WATER
CONSERVATION DISTRICT

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ARTICLE I DEFINITIONS

1.01 Definitions

(a) The “Act” is the enabling legislation for the Hemphill County Underground Water Conservation District (Tex. Spec. Dist. Local Laws Code Chapter 8894).

(b) The “District” is the Hemphill County Underground Water Conservation District.

(c) The “board” is the board of directors of the District.

(d) A “director” is a person elected or appointed to the office of director of the District pursuant to the Act. Unless otherwise indicated, “director” includes temporary directors and initial directors.

(e) The “administrative office” of the District is located at 211 North 2nd Street, Canadian, Texas 79014. Such address and office may be changed from time to time by the board.

(f) The “Open Meetings Act” is Chapter 551 of the Texas Government Code, as amended.

(g) The “Public Information Act” is Chapter 552 of the Texas Government Code, as amended.

(h) As provided by Section 36.053, Texas Water Code, a “quorum” with respect to meetings of the board means the presence of three (3) or more directors at a duly called meeting of the board.

(i) The term “Manager” or “General Manager” means the employee of the District who is in charge of the administrative affairs of the District.

ARTICLE II DIRECTORS AND OFFICERS

2.01 Board of Directors

(a) The board of directors is the governing body of the District and is responsible for all affairs of the District. The board's rights powers, duties, and responsibilities are provided in the Act and Chapter 36 of the Texas Water Code. The board is composed of five directors, for which elections are held in even years on the uniform Election Day in May.

(b) The directors will each serve staggered four-year terms, unless filing a vacancy.

2.03 Notice of Election; Sworn Statement; Oath of Office; Bond

(a) Within 30 days after the election or appointment of any director, the District shall notify the Executive Director of the Texas Commission on Environmental Quality of the name and mailing address of the director chosen and the date the director's term of office expires, using forms provided by the Executive Director for such purposes.

(b) As soon as practicable after a director is elected or appointed, that director shall make the sworn statement prescribed for public officers in Section 1, Article XVI, of the Texas Constitution.

(c) As soon as practicable after a director has made the sworn statement, and before beginning to perform the duties of office, the director shall take the oath of office prescribed for public officers in Section I, Article XVI of the Texas Constitution.

(d) Before beginning to perform the duties of office, each director shall execute a bond for \$10,000 payable to the District and conditioned on the faithful performance of that director's duties. All bonds of the directors shall be approved by the board and paid for by the District.

(e) The sworn statement, oath, and bond shall be filed with the District and retained in its records. A duplicate of the original sworn statement shall also be filed with the Texas Secretary of State within 10 days after its execution.

2.05 Officers; Election of Officers; Terms of Office

At the initial meeting of the board following the election of new directors, the following officers shall be elected by the board: President, Vice President, and Secretary. Officers shall serve two-year terms commencing on the date of the board meeting at which the election occurred and continuing until their successors have been elected.

2.07 Fees of Office

Pursuant to Section 36.060(a) of the Texas Water Code, each director of the District may receive fees of office of not more than \$250 a day for each day the director spends performing the duties of a director, not to exceed \$9,000 a year. However, the policy of the board of directors is to receive a fee of office of \$50.00 per meeting. This is to include regular and special meetings of the board or hearings that are held on separate occasions. Fees of office will not be paid for

committee meetings. The directors shall also be entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the District. The process for obtaining such reimbursement is set forth in Article X of these Bylaws.

2.09 Ex Parte Communications

A board member may not communicate ex parte with the General Manager or a party with a contested matter before the District if such communication would violate state law.

2.11 Board Vacancies

(a) The filling of vacancies is within the jurisdiction of the board. If a director's position becomes vacant, the board shall appoint a qualified person to serve until the first election of directors following the appointment. If the position is not scheduled to be filled in that election, the board shall additionally provide for a director to be elected at that election for the remainder of the unexpired term. The District may not commence the filling of a board vacancy until the director has filed: (1) a letter of resignation; or (2) a notice of his or her intent to resign.

(b) A vacancy on the board occurs upon the date of:

(1) death of a board member;

(2) acceptance by the board of a signed, written notice of resignation to the board filed with the President or the Secretary, or by operation of law at 5:00 p.m. of the eighth day after receipt of a written notice of resignation, whichever is earlier, as provided by Section 201.023, Texas Election Code;

(3) disqualification of the director by operation of law; or

(4) removal of a director by the board, as may be provided by law.

(c) The board shall take action as soon as practicable.

(d) The board will fill vacancies for directors in accordance with the following procedure:

(1) For a vacancy under subsection (b)(2), the board shall accept a duly filed written notice of resignation from a director at its next regularly scheduled meeting and declare a director vacancy by majority vote of the board. For all other vacancies, the declaration of vacancy shall be made by the board at the meeting at which the General Manager presents facts to the board reasonably supporting a declaration of vacancy.

(2) In the event of a vacancy on the board, the General Manager must give notice of the vacant (or potentially vacant) position, and that the District is accepting applications from qualified persons to fill the vacancy. The notice of vacancy (or potential vacancy) shall be posted on the District's website. The notice shall contain the following information:

(A) the minimum qualifications to serve as a member of the board;

(B) the manner in which an interested member of the public may apply to fill the vacancy (or potential vacancy);

(C) the identification of, and manner of obtaining, any forms that may be required to properly apply for the vacant (or potentially vacant) director position;

(D) the deadline for filing an application to fill the vacant (or potentially vacant) director position;

(E) the name and telephone number of the District contact person for further information; and

(F) any other information that in the judgment of the General Manager may be useful to the board in filling the vacancy.

(3) All applications to fill a vacant director position shall be received and date stamped by the District no later than 5:00 p.m. on the filing deadline stated in the notice posted on the District's website. For any applications that are not timely filed, the General Manager shall report to the board the fact that an untimely filed application was filed. The board may not consider any untimely applications in its vacancy deliberations. The board shall review the timely applications received and determine how many qualified candidates to interview.

(4) If the resigning board member so chooses, that member may recommend an applicant to be interviewed by the board. The recommendation and application of the recommended person must be received no later than 5:00 p.m. on the filing deadline stated in the notice posted on the District's website.

(5) The board shall interview the selected applicants and then vote on a replacement director as it may choose. After review by the board, the board may vote not to accept any of the applications and direct the General Manager to reopen the application process and post another notice of vacancy according to the procedures set out in this subsection.

(6) The person receiving a majority vote of the board will be declared the new director.

(e) After the board has made a selection, the new director shall, as soon as practicable, fully perform all acts required by law to be duly qualified to be seated as a member of the board. Once these actions have been completed, the new director shall be entitled to participate in and perform all duties of office.

(f) A director may withdraw a written notice of resignation prior to final action by the board in accepting the resignation, or prior to 5:00 p.m. of the eighth day after the date of receipt by the District, whichever is earlier. A director may withdraw a written notice of intent to resign prior to the filing of a letter of resignation.

ARTICLE III DUTIES OF OFFICERS

3.01 President

The President shall preside at all meetings of the board. The President is the chief executive officer of the District and shall execute contracts, obligations, undertakings, conveyances and other instruments on behalf of the board when so authorized and when directed to do so by the board. The President may appoint committees of the board, and shall exercise such other powers and duties as may from time to time be prescribed by action of the board. The President may appoint a Parliamentarian from among the directors, who shall serve at the pleasure of the President. The board may authorize the District's General Manager or other employee to execute documents on behalf of the District.

3.03 Vice President

The Vice President will perform the duties of the President if the President becomes incapacitated or otherwise unable or unavailable. The Vice President will perform such other duties and exercise such other authority and powers as the board may from time to time prescribe, or as the President may from time to time delegate.

3.05 Secretary

The Secretary shall attest to the President's signature on all contracts, obligations, undertakings, conveyances and other instruments, including the minutes of meetings of the board, after such instruments have been approved by the board, and shall perform such other duties as may be prescribed by the board. The Secretary is also responsible for submitting a proposed budget to the board, as well as seeing that all financial records of the District are properly kept and administrative matters are reported to the board. The General Manager is appointed to serve as the assistant to the Secretary and shall be entitled to certify the authenticity of any record of the District, including but not limited to all proceedings relating to bonds, contracts, or indebtedness of the District.

ARTICLE IV MANAGEMENT OF THE DISTRICT

4.01 Management of the District

(a) The board shall be responsible for overseeing 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 have the right to purchase all materials, supplies, equipment, vehicles, and machinery needed by the District to perform its purposes.

4.03 Legal Consultant Services

(a) The board shall hire all legal consultants for the District. It is the policy of the board not to engage the services of any attorney or firm which has a conflict of interest with the District. The selected individual/firm shall serve at the pleasure of the board and shall agree to conduct all activities in accordance with the guidelines established in this policy. Legal consultants shall only perform work which has been authorized by one or more members of the board, or the District's General Manager.

(b) With regard to matters discussed in closed session, materials distributed to directors labeled "Privileged and Confidential Communication between Attorney and Client" or similar verbiage will be collected at the end of the closed session to preserve the confidential nature of the material and to protect the interests of the District.

4.05 Guidelines for Selecting and Managing Auditor Consultants

The board will approve the compensation and terms for auditor consultants. The scope of auditor consulting services and the compensation to be paid will be specified by written contract. It is the policy of the board not to engage the services of any individual or firm that has a conflict of interest with the District. The selected individual/firm serves at the pleasure of the board and must agree to conduct all activities in accordance with these guidelines. The auditor consultants will only perform work that has been expressly authorized by the board.

4.07 Consultant Services

The board shall approve the compensation and terms for consultants. In selecting, attorneys, engineers, auditors, financial advisors, or other listed professional consultants, the District may comply with the Professional Services Procurement Act, Chapter 2254, Subchapter A, Texas Government Code. The scope of consulting services and the compensation to be paid thereby shall be specified by written contract.

4.09 Bond Required

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 bond shall be signed or endorsed by a surety company authorized to do business in the State. The board shall pay the premium on surety bonds required of officials, employees, or consultants of the District out of any available funds of the District.

4.11 Annual Report

After fiscal year-end, the General Manager shall report to the board on the status of the District and its programs. The report shall include at least the following: an evaluation of the District's performance in light of long-range plans developed pursuant to Section 36.1071 of the Texas Water Code.

4.13 Minutes and Records of the District

(a) The board shall keep a complete account of all its meetings and proceedings and shall preserve its minutes, contracts, records, notices, accounts, receipts, and other records in a safe place.

(b) The records of the District are the property of the District and are subject to Chapter 552, Texas Government Code, the Public Information Act. Persons who are furnished copies of District records pursuant to the Public Information Act may be assessed a copying charge, pursuant to policies established by the board or General Manager.

(c) The preservation, storage, destruction, or other disposition of the records of the District is subject to the requirements of Chapter 201, Local Government Code, and rules adopted thereunder.

4.15 General Manager and Employees

The Board may employ a General Manager and set his or her salary. The Board may delegate any of its powers and duties (except those of adopting rules, a dissolution resolution, a dissolution order, and those orders or resolutions relating to hearings, taxation, and bonds) to the General Manager who shall carry out the powers and duties delegated to him or her by the Board. The General Manager, with the approval of the Board, may hire employees of the District and set their salaries. The General Manager may delegate his or her administrative duties as may be necessary to effectively and expeditiously accomplish his or her duties, provided however, that no such delegation shall ever relieve the General Manager of his or her responsibilities under the District Rules and Bylaws or board orders.

ARTICLE V MEETINGS OF THE BOARD

5.01 Meetings

Regular meetings of the board shall be held at such time and at such public locations as determined by the board. Regular meetings shall be held at least quarterly. Special meetings of the board may be called by the President or by the joint action of at least three directors. Special meetings must be called at such times and at such locations as are convenient to the directors. Public comment may be made either before or during the board's consideration of an item. All board meetings and work sessions shall be held in accordance with the Open Meetings Act.

5.03 Notice of Meetings

Written notice of all regular meetings, special meetings, and board work sessions, stating the place, day and hour of the meeting, and the agenda therefor shall be posted in compliance with the Open Meetings Act and will be transmitted to each director no less than 72 hours prior to the meeting.

5.05 Agenda of Meeting

(a) Notices of meetings will contain an agenda stating the matters to be considered or acted upon at such meetings, and matters not stated in the agenda or properly added to the agenda shall not be deliberated or acted upon.

(b) The agenda will be set by the President, with input from other board members and the General Manager.

(c) Items the President determines require action by the board, but which do not normally require briefing by the staff or board discussion, may be placed on a "consent agenda."

(1) Any board member shall have the right to remove an item from the consent agenda during consideration of the consent agenda.

(2) All items removed from the consent agenda shall be considered individually in the order in which they were removed, immediately following consideration of the consent agenda.

(3) The consent agenda shall be introduced by a motion to approve the consent agenda.

(4) Approval of a motion to approve the consent agenda shall be equivalent to approving each item as if it had been acted on individually.

5.07 Quorum

If a quorum of the board is not present at a meeting, the directors present may postpone or recess the meeting for a reasonable time until a quorum is present. At the reconvened meeting

when a quorum is present, any business may be transacted which may have been transacted had a quorum been present at the initial convening of the meeting.

5.09 Voting

An act of the board is not valid unless adopted by the affirmative vote of a majority of the entire membership of the board. There shall be no voting by proxy.

5.11 Conduct of Meetings

Meetings of the board shall be presided over by the President, or in the President's absence, the Vice President, or in the absence of both, the President and the Vice President, the Secretary.

5.13 Public Participation at Board Meetings

Pursuant to the Texas Open Meetings Act, the board shall allow each member of the public who desires to address the board regarding an item on the board's open meeting agenda to address the board regarding the item at the meeting. The board may decide whether the opportunity for public comment will occur either before or during its discussion of an agenda item. The board may satisfy the requirement to allow public comment by holding a single public comment period at the beginning of an open meeting to address all items on the agenda. The board may set reasonable limits on the number, frequency, and length of presentations before it, but shall not unfairly discriminate among speakers based on their point of view. Members of the public who wish to provide public comments shall provide the following information to the board at the beginning of the board meeting: name, address, telephone number, organization, and agenda item to be addressed, if any. A registration form shall be provided for this purpose. Members of the public who wish to provide general public comment, rather than address a particular agenda item, shall so indicate on the registration form. At the board's discretion, it may seek public comment or ask questions of any member of the public in attendance.

5.15 Board Action

Unless otherwise required by law or these Bylaws, the board may act by motion or by resolution and order adopted by the board.

5.17 Minutes

Actions taken in meetings will be incorporated in written minutes taken by the Secretary or assistant to the Secretary and signed by the President and the Secretary. A copy of the minutes will be submitted for approval to the members of the board at the next meeting of the board. The Secretary is responsible for the meeting minutes.

ARTICLE VI FISCAL POLICY

6.01 Fiscal Year

The fiscal year of the District shall commence on the first day of October.

6.03 Annual Budget

(a) Prior to the commencement of each fiscal year, the board shall prepare and approve an annual budget.

(b) The budget shall contain a complete financial statement, including a statement 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 received by the District from all sources during the previous year;
- (4) the amount of money available to the District from all sources during the ensuing year;
- (5) the balance expected at the end of the year in which the budget is being prepared;
- (6) the estimated amount of revenues and year-end balance available to cover the proposed budget; and
- (7) the estimated tax rate or fee revenues that will be required.

(c) The annual budget may be amended after its adoption on the board's approval at any meeting of the board.

(d) The General Manager shall have full authority, without further authorization of the board, to expend funds of the District budgeted for that purpose in amounts up to, but not exceeding the annual budget unless a budget amendment is approved by the Board and reserve funds are available.

6.05 Contracts; Instruments; 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, 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.

6.07 Loans

No loan 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 Secretary.

6.09 Checks, Drafts, etc.

All checks, drafts, notes, or other orders for the payment of money issued in the name of the District in the amount greater than \$2,500 shall be signed by two directors or one director and the General Manager, with the exception of monthly office rental payments and payroll tax liability payments which shall be authorized and/or signed by the General Manager either by check or ACH. The General Manager may arrange to have the district's utility and insurance expenses that are due every month to be paid by auto draft in order to ensure timely payment. All checks, drafts, notes, or other orders for the payment of money issued in the name of the District in the amount equal to or less than \$2,500 shall be signed by the General Manager, or two directors.

6.11 Depositories

All funds of the District 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 order or resolution 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 Hemphill County unless the board determines that a suitable depository cannot be found within the County.

6.13 Annual Audit

After the end of each fiscal year, the board shall have an audit of its affairs prepared by an independent certified public accountant. This audit shall be available for 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 Chapter 36, Texas Water Code. The District's auditors may undertake consulting services for the District in addition to their duties in connection with the annual audit.

6.15 Investment Policy

The board shall comply with the District's adopted investment policy.

ARTICLE VII PURCHASING AND CONTRACTING

7.01 Purchasing

(a) Expenditures to acquire goods or services valued at greater than \$5,000 require approval by the board in advance, unless an emergency acquisition requiring expenditure greater than \$5,000 shall be presented to the board for approval and validation at its next meeting.

(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 the expenditure does not result in total expenditures for the year that exceed the budget, unless a budget amendment is approved by the board and reserve funds or other source of funding is available.

7.03 Procurement Responsibilities and Authorization

(a) The District shall secure the highest quality goods and services for the funds available. The District shall award contracts to responsible vendors, suppliers, and contractors that, in the judgment of District, will promote the mission and goals of the District, and result in the best and most economical completion of the District's proposed plants, improvements, facilities, works, equipment and appliances.

(b) For contracts for goods and/or services for over \$75,000, the District shall advertise the project once a week for two consecutive weeks. For contracts over \$25,000 but not more than \$75,000, the District shall solicit written competitive bids on the project from at least two bidders. For contracts not more than \$25,000, the District may advertise or seek competitive bids, but must procure such goods and/or services in accordance with sound business practices, and in a manner that will promote and advance the mission and goals of the District.

ARTICLE VIII

COMMITTEES

8.01 Board Committees

(a) The President may appoint members of the board to serve on advisory committees to consider and make recommendations to the full board concerning the policies and activities of the District, including on the Financial/Audit Committee.

(b) If a committee's membership comprises a quorum of the board, the meeting shall be held in compliance with the Open Meetings Act.

8.03 Notice of Committee Meetings

(a) Committee meetings may be called at any time by the Chair of the committee.

(b) The General Manager will notify all members of a committee by mail, telephone, electronic mail or facsimile stating the place, date, time, and agenda of the meeting no less than 72 hours prior to the meeting.

(c) Notices of committee meetings will contain an agenda stating the matters to be considered at such meetings. The agenda will be set by the Chair of the committee in consultation with the General Manager.

8.05 Financial/Audit Committee

The Financial/Audit Committee shall be established as a committee of the full board and shall be comprised of at least two directors, with one director to serve as the Chair. The board shall then act to select an auditor to perform the annual audit, and, if applicable, recommend to the General Manager specific actions needed to address recommendations or concerns raised by the auditor in the audit report. The Board acting as the financial/audit committee shall also review annually the District's investment policies and strategies.

ARTICLE IX CODE OF ETHICS

9.01 Statement of Policy

It is the policy of the District that all directors and employees conduct themselves in a manner consistent with sound business and ethical practices, in compliance with applicable laws, and in a manner that excludes considerations of personal advantage; that the public interest always be considered in conducting District business; that the appearance of impropriety be avoided to ensure and maintain public confidence in the District; and that the board control and manage the affairs of the District fairly, impartially, without discrimination, and in accordance with the stated purpose of the District.

9.03 Purpose

The purposes of this Code of Ethics (“Code”) are to:

- (a) ensure a high level of public confidence;
- (b) establish guidelines for ethical standards of conduct for all directors as public servants;
- (c) encourage high ethical standards in official conduct by the officials of the District;
- (d) establish guidelines for such ethical standards of conduct; and
- (e) satisfy Texas Water Code, Section 36.061(a)(1), which states that the board shall adopt in writing “a code of ethics for district directors, officers, employees, and persons who are engaged in handling investments for the district.”

9.05 Qualification of Directors

- (a) Each director shall comply with all statutes applicable to them as governmental officials.
- (b) To be qualified as a director, a person must be a registered voter in the District.
- (c) A person shall not serve as a director if he or she is not qualified to do so under the provisions of the Act or other applicable law.

9.07 Conflict Of Interest

(a) Directors are subject to the provisions of Chapter 171 of the Texas Local Government Code relating to the regulation of conflicts of interest of officers of local governments. Directors shall, pursuant to the standards of Chapter 171, disclose any conflict of interest with respect to a matter pending before the board and shall refrain from participation in the discussion or decision on such matters.

(b) Each director and the General Manager of the District shall comply with the conflict of interest disclosure requirements of Chapter 176, Texas Local Government Code.

9.09 Nepotism

In accordance with Chapter 573, Texas Government Code, no board member may appoint, or confirm the appointment, of a person to a position that is to be directly or indirectly compensated from District funds if the appointee is related to the board member within the second degree by affinity (marriage) or within the third degree by consanguinity (ancestry).

9.11 Standards of Conduct

(a) No director or employee of the District should accept or solicit any gift, favor, or service that might reasonably tend to influence him/her in the discharge of his/her official duties or that he/she knows or should know is being offered him/her with the intent to influence his/her official conduct.

(b) No director or employee of the District shall accept other employment or engage in any business or professional activity that he/she might reasonably expect would require or induce him/her to disclose confidential information acquired by reason of his/her official position.

(c) No director or employee of the District should accept other employment or compensation that could reasonably be expected to impair his/her independence of judgment in the performance of his/her official duties.

(d) No director or employee of the District should make personal investments that could reasonably be expected to create a substantial conflict between his/her private interest and the public interest.

(e) No director or employee of the District should intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised his/her official powers or performed his/her official duties in favor of another.

(f) With respect to honoraria, a director or employee of the District may not solicit, accept, or agree to accept an honorarium in consideration for services the director or employee would not have been asked to provide but for his or her official position. A director or employee may, however, accept food, transportation and lodging in connection with a conference or similar event in which the director or employee renders services, such as addressing an audience or engaging in a seminar.

(g) Each director shall conduct himself/herself in accordance with his/her duties as stated in the Act and his/her Oath of Office.

9.13 Use of District Property

No director or employee of the District shall permit unauthorized use of District-owned or District-controlled equipment, materials, supplies or property.

ARTICLE X REIMBURSEMENT OF DIRECTORS

The purpose of this policy is to establish procedures and guidelines for the reimbursement of expenses incurred by directors of the District. This policy applies to those actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the District. As stewards of public funds, directors should consider the cost of all expenses they incur and be frugal. Only directors who have qualified for office are entitled to reimbursement of expenses by the District.

To receive reimbursements, directors must complete a Director Reimbursement Voucher together with all supporting receipts and invoices. Directors are encouraged to submit completed vouchers by the 15th day of the following month.

10.01 Transportation

(a) District Meetings

(1) Each director shall be reimbursed for round-trip mileage for attendance at meetings of the board, and for such other transportation expenses undertaken by a director at the direction of the board.

(2) Mileage will be paid from point of departure to the meeting, whether the point of departure is home, place of employment, or other location, to the extent the mileage would not have been traveled but for attendance at the meeting. Directors shall be reimbursed for District use of a personal vehicle at the maximum rate allowed by the United States Internal Revenue Service.

(b) Other Meetings and Conferences.

(1) Each director shall be reimbursed for round-trip mileage for attendance at meetings or hearings of governmental bodies or agencies where matters directly affecting the District are under consideration.

(2) Each director shall be reimbursed for round-trip mileage for attendance at conferences where the subject matter is directly related to the business of the District.

(3) Mileage will be paid from point of departure to the meeting, conference or seminar whether point of departure is home, place of employment, or other location, to the extent the mileage would not have been traveled but for attendance at the meeting. Directors shall be reimbursed for District use of a personal vehicle at the maximum rate allowed by the United States Internal Revenue Service. Mileage reimbursements for long trips may not exceed the amount charged for commercial transportation if those rates are more economical.

(4) Directors traveling by commercial transportation are entitled to reimbursement of the actual cost of necessary transportation for performing official business, except the reimbursement for air transportation will not exceed the next lowest available airline fare below first class unless first class is the only available fare.

10.03 Meals

Directors will be reimbursed for the actual cost of meals associated with meetings or conferences, unless the meal is included as part of meeting expenses. Directors will not be reimbursed for expenses for his/her spouse, family or personal guest's meals. Charges for alcoholic beverages are not reimbursable.

10.05 Lodging

Lodging expenses associated with travel for District business are reimbursable or shall be paid by the District. Each director will be responsible for costs for spouses, family members or personal guests. Other personal expenses will not be reimbursed by the District.

10.07 Other Expenses; Memberships; District Publications; Reimbursement for Personal Expenses Prohibited

(a) Other expenses incurred in the course of conducting District business are reimbursable. Charges for such things as telephone, fax, and photocopier must be submitted with an appropriate bill or receipt. Reasonable non-documented expenses will also be reimbursed.

(b) Directors may be reimbursed up to \$250 per fiscal year for expenses not discussed above for activities directly related to and benefiting the District and its policies and objectives. Requests for approval to the Board for such reimbursements should include sufficient information to demonstrate the specific purpose advanced by the expenditure, and where necessary, information providing specific assurance that the purpose will be accomplished.

(c) Personal expenses are not reimbursable.

10.09 Board Discretion

The board may at its discretion approve exceptions from this policy on a case-by-case basis. The District will not reimburse directors or employees for unreasonable or unnecessary expenses, or in excess of a reasonable amount.

ARTICLE XI GENERAL PROVISIONS

11.01 Effect of Bylaws

These Bylaws shall be construed in connection with and so as to conform in all respects to the provisions of the Act and the general laws of the State of Texas applicable to the District and its affairs.

11.03 Amendment of Bylaws

Bylaws may be altered, amended, repealed, or replaced by a simple majority vote of the board at any regular meeting of the board. No such action may be taken unless a copy of the proposed alteration, amendment or repeal or copy of the proposed new Bylaws is submitted to each of the directors at least ten (10) days prior to the meeting date.

11.05 Severability

If any provision of these Bylaws is rendered invalid in whole or in part by an order of a court of competent jurisdiction or other law, such provision shall be severed from these Bylaws and deemed inapplicable to the extent and during the time it is rendered invalid. All remaining provisions of these Bylaws shall continue in effect except to the extent they are rendered unworkable by the severance.

11.07 Seal

The Seal of the District shall have inscribed thereon the name of the District and words indicating that it is a Texas groundwater conservation district. Said seal may be impressed by causing a facsimile thereof to be printed, affixed or otherwise reproduced.