# LONE STAR GROUNDWATER CONSERVATION DISTRICT

**Resolution No. 17-002**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LONE STAR GROUNDWATER CONSERVATION DISTRICT REVIEWING AND ADOPTING AMENDMENTS TO THE DISTRICT BYLAWS**

**WHEREAS,** the Lone Star Groundwater Conservation District (the "District") was created by the Legislature of the State of Texas by the Act of May 17, 2001, 77th Leg., R.S., ch. 1321, 2001 Tex. Gen. Laws 3246, as amended (the "Enabling Act"), as a groundwater conservation district operating under Chapter 36, Texas Water Code, and the Enabling Act; and

**WHEREAS,** §36.061 of the Texas Water Code provides that the Board shall meet and adopt policies and procedures in order to carry out powers and duties provided by the Texas Water Code;

**WHEREAS,** Resolution No 11-007, passed and adopted by the Board of Directors of the Lone Star Groundwater Conservation District on the 8th day of November, 2011, incorporated and adopted amended Bylaws of the District and the Board of Directors of the District has determined that such Bylaws are in need of amendment; and

**WHEREAS,** Said policy has been reviewed by the Policy and Personnel Committee and certain changes thereto have been recommended.

**NOW, THEREFORE, BE IT RESOLVED** BY THE BOARD OF DIRECTORS OF THE LONE STAR GROUNDWATER CONSERVATION DISTRICT THAT:

1. The above recitals are true and correct.

2. The Lone Star Groundwater Conservation District "Bylaws" dated January 10, 2017, attached hereto and incorporated herein in full, are hereby adopted as the "Bylaws" of the District.

3. That such Bylaws supersede any and all bylaws previously adopted by the Board of Directors.

4. That the Bylaws shall govern the Board of Directors and Staff of the District until amended, repealed or replaced.

5. The General Manager of the District is authorized and directed to implement said Bylaw.

6. That the General Manager of the District is further authorized to take any and all action necessary to implement this resolution.

AND IT IS SO ORDERED.

PASSED AND ADOPTED on this 10th day of January, 2017

**LONE STAR GROUNDWATER CONSERVATION DISTRICT**

By: _____
Richard J. Tramm, Board President

ATTEST:

_____
Rick Moffatt, Board Secretary

# Lone Star
# Groundwater Conservation District

## DISTRICT BYLAWS

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### SECTION 1.
### DISTRICT CREATION, PURPOSE & POWERS

**1.1 District Creation and Purpose.**
The Lone Star 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 77th Texas Legislature with the Act of June 16, 2001, 77th Leg., R.S., ch. 1321, §1, 2001 Tex. Gen. Laws 3246, as amended, ("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 Montgomery 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.**
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

**2.1 Purpose of the Board.**
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 District Act, 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 Board of Directors.**
(a) The District is governed by the Board, which is comprised of nine appointed Directors. An appointee must be at least 18 years of age and a resident of the District to be qualified to serve as a Director. Additionally, each appointee must qualify to serve as a Director in

the manner provided under Section 36.055 of the Texas Water Code. A person who so qualifies to serve as a Director on the Board is thereby entitled to participate in all votes relating to the business of the District regardless of any common law doctrine or any statutory conflicts of interest, incompatibility, or similar provision to the contrary.

(b) As set forth under the District Act, Directors serving on the District's Board serve staggered four-year terms. The Directors comprising the Board are appointed by the following "persons":

1. the Commissioners Court of Montgomery County shall appoint two Directors;

2. the Board of Directors of the Montgomery County Soil and Water Conservation District shall appoint one Director;

3. the Board of Directors of the San Jacinto River Authority shall appoint one Director;

4. the Mayor of the City of Conroe shall appoint one Director;

5. the mayors of all of the incorporated municipalities, other than the City of Conroe, located in whole or in part in Montgomery County, shall jointly appoint one Director;

6. the Board of Trustees of the Woodlands Joint Powers Agency shall appoint one Director;

7. the boards of directors of all the municipal utilities districts located in whole or in part in Montgomery County that are not members of the Woodlands Joint Powers Agency and the district boundaries of which are located primarily to the east of Interstate Highway 45 jointly shall appoint one Director; and

8. the boards of directors of all the municipal utilities districts located in whole or in part in Montgomery County that are not members of the Woodlands Joint Powers Agency and the district boundaries of which are located primarily to the west of Interstate Highway 45 jointly shall appoint one Director.

(c) The persons designated under Subsection (b) of this section shall submit their appointments not later than the second Monday in January of odd-numbered years. Not later than the 60 days before that date, the General Manager of the District shall mail written notice that appointments are due to each person designated in Subsection (b) of this section to make appointments in that particular year. Regular terms of office for appointed Directors begin on February 1 of odd-numbered years and terminate on January 31 of the odd-numbered years that are four years later.

(d) Appointment of Directors shall follow the requirements set forth under the District Rules.

(e) If there is a vacancy on the Board, the appropriate person designated under Subsection (b) of this section shall appoint an interim Director to serve the remainder of the term. A Director serves on the Board until their successor has qualified for the Directorship under Subsection (a) of this section.

(f) Each odd-numbered year at its regular February meeting, or at its next regular meeting if there is no February meeting, the Board shall select one of its Directors to serve as President to preside over Board meetings and proceedings, one to serve as Vice-President to preside in the absence of the President, another to serve as Secretary to keep a true and complete account of all meetings and proceedings of the Board, and a last Director to serve as Treasurer.

1. 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, except as document execution is delegated by the Board to the General Manager. The Vice-President shall act as President in case of the absence or disability of the President, except as set forth in Subsection (g) of this section. 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. The Treasurer ensures all financial policies of the District are followed and shall serve as chairperson of the Budget/Finance Committee.

2. The Board may appoint other Directors, the General Manager, or any employee as an assistant or Assistant Secretary to assist the Secretary, and any such person shall be entitled to certify as to the authenticity of any record of the District, including but not limited to all proceedings relating to bonds, contracts, or indebtedness of the District.

(g) In the event an officer of the Board vacates his/her position or resigns or becomes unable to serve as an officer under Subsection (f), the Board shall select another Director to serve the remainder of the unexpired term of such officer. If the Board selects a Director who holds another office at the time of the vacancy to fill the unexpired term, the Board shall select another Director to serve the remainder of the unexpired term of such second officer.

**2.3 Notice of Appointment, Sworn Statement, Oath of Office, and Bond.**

(a) Within 30 days after the 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. The Executive Director shall provide forms to the District for such purposes.

(b) As soon as practicable after a Director is 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, that Director shall take the oath of office prescribed for public officers in Section 1, 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 oath shall also be filed with the Texas Secretary of State within 10 days after its execution, but need not be filed before the new Director begins to perform the duties of office.

**2.4 Fees of Office; Reimbursement.**

(a) Except as provided under Subsection (d) of this section, Directors are entitled to receive fees of office as set forth in Section 36.060(a) of the Texas Water Code for each day the director spends performing the duties of a Director. The fees of office may not exceed the annual limit set forth under Section 36.060(a) of the Texas Water Code.

1. "Performing the duties of a Director" means substantive performance of the management or business of the District, including participation in board and committee meetings and other activities involving the substantive deliberation of District business and in pertinent educational programs.

2. "Performing the duties of a Director" does not include routine or ministerial activities such as the execution of documents, self-preparation for meetings, or other activities requiring a minimal amount of time.

(b) Attendance at Conferences and Meetings: Directors and designated employees of the District may attend conferences and meetings of the Texas Water Conservation Association, the Texas Alliance of Groundwater Districts, and the Association of Water Board Directors – Texas. Attendance at other conferences, hearings or meetings outside the Montgomery County and Houston metropolitan area by directors must be approved by the Board prior to attending. Attendance at local meetings or conduct of other local District business must be authorized by the General Manager prior to attendance. Attendance at conferences, hearings or meetings by employees must be approved by the General Manager. Directors should coordinate their registration for conferences through the General Manager. Travel expenses and their reimbursement shall be governed by these provisions and the provisions set forth in the District's Travel Expenditures Policy.

(c) Any District official desiring to receive fees of office or reimbursement for actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the District shall file with the District a verified statement showing the number of days actually spent in the service of the District and a general description of the duties performed for each day of service, and present to the General Manager appropriate

documentation listing the persons in attendance and a description of the business discussed at the meeting or activity, together with all supporting receipts and invoices. These expenses shall be submitted to the District's bookkeeper, and a check for payment of same shall be approved. Payment of fees of office may be approved by the General Manager. Reimbursement of expenses incurred by Directors must be submitted to the General Manager and approved by the General Manager and one other Director.

(d) A Director who holds a civil office of emolument and who is prohibited under Section 40, Article XVI, Texas Constitution, from holding or exercising another civil office of emolument at the same time shall not be entitled to receive a fee of office as a Director of the District. However, such a Director shall be entitled to reimbursement of actual expenses reasonably and necessarily incurred while engaging in activities on behalf of the District, as set forth under Subsection (b) of this section.

**2.5 Policies.**

(a) Subject to the laws governing the District, the Board shall adopt the following in writing:

1. a code of ethics for Directors as well as other District officers, employees, or any other persons engaged in the handling of investments for the District;

2. a policy relating to travel expenditures;

3. a policy relating to District investments which ensures that:

   a. purchases and sales of investments are initiated by authorized individuals, conform to investment objectives and regulations, and are properly documented and approved; and

   b. periodic review is made of District investments to evaluate investment performance and security;

4. policies and procedures for the selection, monitoring, reviewing, and evaluation of professional services contracted for or otherwise utilized by the District; and

5. policies that ensure a better use of management information, including:

   a. budgets for use in planning and controlling costs;

   b. an audit or finance committee of the Board; and

   c. uniform reporting requirements that use "Audits of State and Local Governmental Units" as a guide on audit working papers and that uses "Governmental Accounting and Financial Reporting Standards."

6. The State Auditor may audit the financial transactions of the District if the State Auditor determines such action is necessary.

**2.6 Meetings.**

(a) The Board may hold a regular meeting each month 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 shall be held in accordance with the Texas Open Meetings Act. To the extent necessary for orderly conduct of proceedings, the guidelines of "Parliamentary Procedure at a Glance," New Edition, by O. Garfield Jones, 1971 revised edition, or as amended, may be followed.

(b) The President shall be responsible for establishing the notice and agenda items for each Board meeting, and shall coordinate with the General Manager regarding preparation of the notice and agenda and its posting and/or publication. Any Director or the General Manager may request that the President include an item on an upcoming meeting agenda for consideration by the Board, which the President may include at his discretion. Each regular Board meeting agenda shall include an agenda item for "New Business," at which a Director or the General Manager may request the inclusion of an agenda item to be considered at a future regular or special Board meeting or hearing, as applicable under the law and rules of the District.

(c) From time to time and 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 President. Public comment may be made at the time the item(s) is up for discussion at a regular Board Meeting.

(d) A majority of the membership of the Board constitutes a quorum for any meeting, and a concurrence of a majority of the entire membership of the Board is required for transacting any business of the District.

(e) Notice of meetings of the Board shall be given as set forth in the Open Meetings Act, Chapter 551, Texas Government Code, or as may otherwise be required under Chapter 36, Texas Water Code.

**2.7 Committees.**

The President may establish and designate Directors for advisory committees and shall appoint the committee chairs for formulation of policy recommendations to the Board or for such other purposes as the President may designate. To the extent necessary for orderly conduct of proceedings, the guidelines of "Parliamentary Procedure at a Glance," New Edition, by O. Garfield Jones, 1971 revised edition, or as amended, may be followed. Committee members serve at the pleasure of the President.

**2.8 Ex Parte Communications.**

A Board member may not communicate ex parte with other members of the Board if such communication would violate state law.

## SECTION 3.
## DISTRICT STAFF

**3.1 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 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 direction given by the Board through policies, orders, 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 or her responsibilities and whether additional responsibilities should be delegated to him or her.

(b) The General Manager shall have 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, provided that it is within the District's budget.

(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) 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.

**3.2 Delegation of Authority.**

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

## SECTION 4.
## MANAGEMENT OF DISTRICT

**4.1 Management of District.**

(a) The Board shall be responsible for the management of all the affairs of the District, except as delegated to the General Manager. 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, except as delegated to the General Manager.

(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, except as delegated to the General Manager.

**4.2 Annual Report.**

Not later than the May Board meeting each year, the General Manager shall report to the Board on the status of the District and its programs from the prior fiscal year. The report shall include at least the following:

1. the information required to be included in the Annual Report under the District Management Plan;

2. a financial report, including a report from the Board's Budget and Finance Committee;

3. a report on the status of capital projects of the Districts, if any; and

4. an evaluation of the District's performance in light of long range plans developed pursuant to Section 36.1071 of the Texas Water Code.

**4.3 Setting Fee Schedule.**

The Board, by resolution, shall adopt a fee schedule to apply to all applications, registrations, inspections, and permits that are issued, renewed, or amended as well as fees for other services the District performs or fees to cover charges incurred by the District. The existing fees shall apply until such time as they are cancelled or the amounts of the fees are changed by the Board at a public meeting. The Board shall

endeavor to adopt any changes in the fee schedule at or before its regular July Board meeting each year.

**4.4 Fiscal Year.**
The District's fiscal year shall begin on the first day of January.

## SECTION 5.
## DISTRICT

**5.1 District Address.**
The District's mailing address and the District's office location is 655 Conroe Park North Drive, Conroe, Texas, 77303. Such address and office may be changed from time to time by resolution of the Board.

**5.2 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, Government Code.

(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.

(d) All documents, reports, records, and minutes of the District shall be available for public inspection and copying in accordance with the Public Information Act. Upon written application of any person, the District will furnish copies of its public records. Persons who are furnished copies may be assessed a copying charge, pursuant to policies established by the General Manager. A list of the charges for copies will be furnished by the District.

**5.3 Certified Copies.**
Requests for certified copies must be made in writing. Certified copies shall be made under the direction of the General Manager and shall be affixed with the seal of the District. Persons who are furnished certified copies may be assessed a certification charge, in addition to the copying charge, pursuant to policies established by the General Manager.

**5.4 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 as determined by the General Manager or the Board.

**5.5 Official Seal.**
By resolution, the Board may adopt an official seal for the District to be used on permits and other official documents of the District.

**5.6 Contracts.**
(a) The District shall contract, and be contracted with, in the name of the District.

(b) The District may purchase property from any other governmental entity by negotiated contract without the necessity of securing appraisals or advertising for bids.

**APPENDIX A**

BY-LAWS REVISION/AMENDMENT DATES

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| Adopted – 10/15/02 | |
| Amended – 10/14/03 | Inserted 2.4 (a) 1 & 2 |
| Amended – 10-12-04 | Inserted 2.2 (g)/ revised 2.2 (f) |
| Amended – 02-08-05 | Revised 2.2 (f) 1&2, revised 5.1 |
| Amended – 03-14-06 | Revised 2.3 – update agency name to TCEQ |
| Amended – 03-14-06 | Revised 2.4 – replace per diem to fees of office |
| Amended – 03-14-06 | Revised 4.3 – est. 7/15 annually to adopt fee schedule |
| Amended – 03-14-06 | Deleted redundant wording already included in 5.7 |
| Amended – 03-14-06 | Revised 2.8 wording to be in accordance with amended District rules |
| Amended – 09-08-09 | Revised 2.4 – removed language that capped per diem at $3,300/year |
| Amended – 11.08.11 | Revised 2.4 (b) and 2.4 (c) to clarify meetings and expenses eligible for reimbursement |
| Amended – 08.13.13 | Amended to reflect changes set forth in Section 36.060(a) following passage of HB1563 (2013) |
| Amended – 01.10.17 | Amended to reflect changes set forth in Section 36.060(a) re: fees of office for Director; responsibility for est. notice and agenda items for Board mtgs; clarification of GM duties, responsibilities, & review; Annual Report information & timeframe updates; removal of deadline to set fee schedule; update of District address; and removal of 5.7 Conflicts of Interest per updates to Section 36.058 |