

Lavaca-Navidad River Authority

BY-LAWS

SECTION 1. DEFINITIONS AND CONCEPTS

SECTION 1.1 DEFINITIONS OF TERMS: Unless the context hereof indicates a contrary meaning, the words hereinafter defined shall have the following meaning in these By-laws:

- a. "Act" means the Authority's enabling legislation, authorized by Article 16, Section 59, of the Texas Constitution, and codified in Vernon's Annotated Texas Civil Statutes as Article 8280-131 as amended in Chapter 186, 1947 Session Laws; Chapter 383, 1953 Session Laws; Chapter 313, 1955 Session Laws; Chapter 22, 3rd called Session, 1959 Session Laws; Chapter 14, 1963 Session Laws; Chapter 417, 1969 Session Laws; Chapter 1035, 1983 Session Laws; Chapter 956, 1989 Session Laws; and Chapter 1224, 2003 Session Laws.
- b. "Authority" means the Lavaca-Navidad River Authority, whose jurisdiction and boundaries are coextensive with the boundaries of Jackson County.
- c. "Board" means the board of directors of the Authority.
- d. "Authority Office" means the central offices of the Authority at such location as may be established by the Board.
- e. "Person" includes corporation, individual, organization, government, or governmental subdivision or agency, business trust, estate, trust, partnership, association, or any other legal entity.
- f. "By-laws" means the rules and regulations compiled in this document and as may be supplemented or amended from time to time.

SECTION 1.2 PURPOSE OF BY-LAWS: These Bylaws are adopted for the purpose of facilitating the accomplishment of the purposes of the Act.

SECTION 1.3 USE AND EFFECT OF BY-LAWS: These By-laws are used by the Authority as guides in the exercise of the powers conferred by law and in the accomplishment of the purposes of the Act. They shall not be construed as a limitation or restriction on the exercise of any discretion, where it exists; nor shall they be construed to deprive the Authority or Board of the exercise of any powers, duties or jurisdiction conferred by law; nor shall they be construed to limit or restrict the amount and character of data or information which may be required to be collected for the proper administration of the Act.

SECTION 1.4 RULES AND ORDINANCES: The Board, after public notice may adopt rules and ordinances to regulate the use of Authority property and for conduct on Authority property. Copies of

such rules and ordinances as they are amended from time to time shall be made available to the public and maintained as an appendix to these By-laws. The Board shall publish such rules and their amendments once a week for two consecutive weeks in a newspaper of general circulation. Rules or ordinances will take effect five (5) days following completion of said notice.

SECTION 1.5 AMENDING OF BY-LAWS: The Board may, following proper notice, amend these By-laws or adopt new By-laws from time to time.

SECTION 1.6 HEADINGS AND CAPTIONS: The section and other headings and captions contained in these By-laws are for reference purposes only and shall not affect in any way the meaning or interpretation of these By-laws.

SECTION 1.7 GENDER: Use of masculine pronouns for convenience purposes in these By-laws shall include references to persons of feminine gender where applicable. Words of any gender used in these By-laws shall be held and construed to include any other gender, and words in singular number shall be held to include the plural and vice versa, unless context requires otherwise.

SECTION 1.8 SEVERABILITY: In case any one or more of the provisions contained in these By-laws shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other By-laws or provisions hereof and these By-laws shall be construed as if such invalid, illegal, or unenforceable rule or provision had never been contained herein.

SECTION 1.9 COMPUTING TIME: In computing any period of time prescribed or allowed by these By-laws, by order of the Board, or by any applicable statute, the day of the act, event, or default from which the designated period of time begins to run, is not to be included, but the last day of the period so computed is to be included, unless it be a Saturday or Sunday or legal holiday, in which event the period runs until the end of the next day which is neither a Saturday or Sunday nor a legal holiday.

SECTION 2. BOARD

SECTION 2.1 COMPOSITION AND OFFICERS: The Board is composed of nine directors, who must reside within Jackson County, appointed by the Governor of Texas and confirmed by the Senate, in accordance with the Act. The terms of office of the members of the Board shall be for six years ending on May 1, and until their successors are appointed and qualified, three members to be appointed during the month of April of each odd-numbered year by the Governor to succeed the members whose terms of office shall expire on the following May 1. If a vacancy on the Board occurs because of the resignation or death of a member, or otherwise, the Governor shall fill the same for the unexpired term by the appointment of a successor member. Five directors shall constitute a quorum and have authority to act for the Authority. Officers shall be President, Vice-President, and Secretary/Treasurer. Officers shall be elected annually during the month of May for terms of one year, with such term commencing on June 1 or at such time as it is necessary to fill a vacancy.

SECTION 2.2 MEETINGS: The Board shall hold a regular monthly meeting on the third Wednesday of 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 such meetings shall be open to the public in accordance with the Texas Open Meetings Act. To the extent necessary for orderly conduct of proceedings, the guidelines of the most recent edition of Roberts Rules of Order will be followed.

SECTION 2.3 COMMITTEES: The President may establish and designate Board members for advisory committees and appoint their chairmen for formulation of policy recommendations to the Board or for such other purposes as the President may designate.

SECTION 2.4 COMPENSATION OF DIRECTORS: Unless disqualified, directors shall automatically receive compensation of \$150.00 per day for each day spent performing duties as a director pursuant to Texas Water Code §49.060.

SECTION 2.5 INDEMNIFICATION OF BOARD MEMBERS: Each Board member is indemnified by the Authority 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 Board member, 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 Board member 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 of which any Board member of the Authority may at any time be entitled under the laws of the State of Texas; and if any indemnification which would otherwise be granted by this Section is disallowed by any competent court or administrative body as illegal or against public policy, then any Board member with respect to whom such adjudication was made, and any other Board member, shall be indemnified to the fullest extent permitted by law and public policy, it being the express intent of the Authority to indemnify its Board members to the fullest extent possible in conformity with these By-laws, all applicable laws and public policy. The Authority may purchase and maintain insurance on behalf of

any person who is a Board member of the Authority against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such. The indemnification provided herein shall inure to the benefit of the heirs, executors, and administrators of the Board members of the Authority.

SECTION 2.6 ADDRESSING THE BOARD: It will be the policy of the Board to permit anyone to address the Board concerning only specific issues relating directly to the Lavaca-Navidad River Authority. The visitor should make every effort to inform the General Manager, as far in advance as possible, of the purpose of the visit so relevant background information may be obtained. Properly accredited speakers will be accorded a time space during the meeting as determined by the presiding officer.

SECTION 3. GENERAL MANAGER AND ADMINISTRATION

SECTION 3.1 GENERAL MANAGER: The person employed by the Board as General Manager shall be the chief administrative officer of the Authority and shall have full authority to manage and operate the affairs of the Authority, subject only to Board orders. The General Manager is responsible for employing all persons necessary for the proper handling of the business and operation of the Authority and determining their compensation.

SECTION 3.2 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 from responsibilities which are ultimately his under the Act or Board orders.

SECTION 3.3 TRAVEL EXPENSES: The General Manager, with the Board's approval shall provide and periodically revise a written policy concerning the incurrence and reimbursement of travel expenses on Authority business.

SECTION 3.4 ETHICS AND CONFLICT OF INTEREST: The General Manager, with the Board's approval, shall provide and periodically revise a written policy concerning ethics and conflict of interest.

SECTION 3.5 REPORTING: The General Manager shall report at least quarterly to the Board the status of the Authority's programs including a report on the status of capital improvements and ongoing maintenance programs. Once per quarter the General Manager shall report on the performance and security of the Authority's investments in accordance with Board Policy 401 – Banking and Investment. Once per year, the General Manager shall report on the performance of the professional services rendered to the Authority during the year.

SECTION 4. AUTHORITY

SECTION 4.1 AUTHORITY ADDRESS: The Authority's mailing address is:

P.O. Box 429

Edna, Texas 77957

Such address may be changed by the General Manager.

SECTION 4.2 MINUTES AND RECORDS OF THE AUTHORITY: All documents, reports, records, and minutes of the Authority shall be available for public inspection in accordance with the Texas Open Records Act. Upon application of any person, the Authority, when appropriate, will furnish copies, certified or otherwise, of any of its proceedings or other official acts of record of any paper, map, or document files in the Authority Office. Certified copies shall be made under the hand of the General Manager and affixed with the seal of the Authority. Persons who are furnished any such copies may be assessed a charge therefor, pursuant to policies established by the General Manager based on the reasonable costs of furnishing such copies.

SECTION 4.3 OFFICE HOURS: The regular office hours of the Authority shall be 8:00 a.m. to 4:30 p.m., Monday through Friday, except for Authority holidays, or as may be set from time to time by the General Manager.

SECTION 4.4 SEAL: The General Manager may design a seal for the Authority to be used on permits and other official documents of the Authority.

SECTION 5. FINANCIAL

SECTION 5.1 CONTRACTS: The Board authorizes the General Manager or the General Manager's designee(s) to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority of an amount less than \$25,000.00 without prior Board approval, provided that it is a Board approved budgeted item. Contracts exceeding \$25,000.00 shall have prior Board approval, unless an emergency or urgency exists, in which case the General Manager may make or approve the acquisition, with the verbal concurrence of the Executive Committee of the Board and it shall be presented to the Board for approval and validation at its next following meeting. All contracts shall be executed by either the President, the General Manager or the General Manager's designee. Any contract not so approved is void and of no effect as to the Authority.

SECTION 5.2 LOANS: No loans shall be contracted on behalf of the Authority, and no evidence of indebtedness shall be issued in its name, unless authorized by resolution of the Board executed by the President and attested by the Secretary/Treasurer.

SECTION 5.3 BANKING AND INVESTMENTS: In order to meet the Authority's responsibilities under the Public Funds Investment Act, Chapter 2256, Tex. Gov't Code, the Authority shall comply with Board Policy 401 – Banking and Investment.

SECTION 5.4 AUDITS: Each fiscal year the Authority shall have prepared a financial and compliance audit by an independent certified public accountant or a firm of independent certified public accountants, in accordance with Board Policy 402 – Budget and Audit. Every five years the Authority shall conduct an independent management audit, which shall be submitted to Texas Commission on Environmental Quality. Alternatively, the Authority may establish an internal audit office, which shall report to the Board of Directors. The Authority will comply with other audits as directed by the legislature.

SECTION 5.5 BUDGET: Prior to the commencement of a fiscal year, the Board shall adopt an annual operating budget, in accordance with Board Policy 402 – Budget and Audit.

SECTION 5.6 FISCAL YEAR: The Authority's fiscal year shall begin on October 1.

SECTION 5.7 PURCHASING:

- a. Expenditures to acquire goods or services valued at greater than \$25,000.00 or any professional fee expenses require approval by the Board in advance, unless an emergency or urgency exists, in which case the General Manager may make or approve the acquisition, with the verbal concurrence of the Executive Committee of the Board. Acquisitions valued at less than \$25,000.00 may be made by the General Manager without prior Board approval, provided that it is a Board approved budgeted item; emergency acquisitions requiring an expenditure greater than \$25,000.00 shall be presented to the Board for approval and validation at its next following meeting.
- b. The General Manager may expend and transfer funds within the Board approved budget categories. Only in emergency or urgency may the General Manager exceed a category total, with the verbal concurrence of the Executive Committee of the Board,

provided this amendment be presented to the Board for validation at its next following meeting. The Board may at any time, amend the budget to allow for unforeseen expenditures provided that funds are available in other budget categories or that reserve funds are available.

- c. In order to meet the Authority's responsibilities under Texas Water Code § 49.273(f), the Authority shall comply with Board Policy 304 – Procurement.
- d. In order to meet the Authority's responsibilities under the Professional Services Procurement Act, Tex. Gov't Code §2254.001-2254.109, the Authority shall comply with Board Policy 302 – Use of Professional and Consulting Services.
- e. Construction contracts and contracts for the acquisition of materials and machinery requiring the expenditure of \$75,000 or more shall be competitively bid pursuant to the provisions of Texas Water Code §49.273.
- f. If the Authority has issued industrial development bonds, pollution control bonds, or similar types of contract revenue bonds, either in its own name or in the name of a related industrial development corporation, it shall comply with the requirements of 30 Tex. Admin. Code § 292.13 relating to disclosure.
- g. To the extent applicable, the Authority shall comply with the provisions and intent of § 106, contracting with Historically Underutilized Businesses of Texas, Article V, General Provisions of Texas House Bill 1, 72nd Legislature, First Called Session (1991) relating to contracting with underutilized businesses and providing equal employment opportunities.

SECTION 5.8 DISPOSAL OF PERSONAL PROPERTY: Disposal of personal property shall be in accordance with Board Policy 306 – Disposition of Personal Property.