



**EDWARDS AQUIFER**  
**AUTHORITY**

# **EDWARDS AQUIFER AUTHORITY**

## **BYLAWS**

(Includes bylaws adopted through ~~2016~~2020)

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# EDWARDS AQUIFER AUTHORITY BYLAWS

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## ARTICLE I                      DEFINITIONS

### **Section**

#### **~~1.01—Definitions~~**

#### **1.01    Definitions**

(a)     The “Act” is the Edwards Aquifer Authority Act, Act of May 30, 1993, 73<sup>rd</sup>. Leg., R.S., ch. 626, 1993 Tex. Gen. Laws 2350, as amended.

(b)     The “Advisory Committee” is the South Central Texas Water Advisory Committee.

(c)     The “Authority” is the Edwards Aquifer Authority, a conservation and reclamation district created by the Act.

(d)     The “Board” is the Board of Directors of the Authority.

(e)     A “director” is a person appointed or elected to the office of director of the Authority pursuant to the Act. Unless otherwise indicated, “director” includes both voting and nonvoting members of the Board.

(f)     The “general office” of the Authority is located at 900 East Quincy Street, San Antonio, Texas, 78215.

(g)     As defined by section 551.001(4), Texas Government Code, a “meeting” of the Board is a deliberation between a quorum of the Board, or between a quorum of the Board and another person, during which public business or public policy over which the Board has supervision or control is discussed or considered or during which the Board takes formal action; or except as otherwise provided below, a gathering: (i) that is conducted by the Board or for which the Board is responsible; (ii) at which a quorum of directors of the Board is present; (iii) that has been called by the Board; and (iv) at which the directors receive information from, give information to, ask questions of, or receive questions from any third person, including an employee of the Authority, about the public business or public policy over which the Board has supervision or control. The term does not include the gathering of a quorum of the Board at a social function unrelated to the public business that is conducted by the Board, or the attendance of a quorum of the Board at a regional, state, or national convention or workshop, if formal action is not taken and any discussion of public business is incidental to the social function, convention, or workshop.

(h)     The “Open Meetings Act” is Chapter 551 of the Texas Government Code, as amended. ~~The “Public Information Act” is Chapter 552 of the Texas Government Code, as amended.~~

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

(i) “Qualified” with respect to a director or candidate for director means that the person satisfies all applicable requirements to hold office in accordance with the Act and the Texas Election Code.

(j) As provided by section 1.09(f) of the Act, ~~and section 36.053, Texas Water Code,~~ a “quorum” with respect to meetings of the Board means the presence of eight (8) or more voting directors at a duly called meeting of the Board. With respect to committee meetings, a “quorum” is the presence of a majority of the directors on the committee.

(k) A “vacancy” in a Board position occurs when the person appointed or elected to the position fails to take office as soon as practicable after being elected or appointed, or resigns or abandons the office, or under other circumstances where the position becomes vacant in accordance with Texas law.

## **ARTICLE XIV      GENERAL PROVISIONS**

### **Section**

- 14.01 Effect of Bylaws
- 14.02 Amendment of Bylaws
- 14.03 Severability
- 14.04 Seal
- 14.05 Compliance with Open Meetings Act
- 14.06 Meetings to Be Open to the Public
- 14.07 Compliance with Public Information Act
- 14.08 Notice to Advisory Committee
- 14.09 Draft Proposed Rules
- 14.10 Attorney-Client Privilege

### **14.01 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 Authority and its affairs. Any provisions of these Bylaws in conflict with the Act or any act or law applicable to the Authority shall be of no force and effect, and are deemed severed in accordance with section 14.03.

### **14.02 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.

### **14.03 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.

### **14.04 Inclusion and Non-discrimination**

It is the general policy of the Authority to promote inclusion and to prohibit discrimination in all conduct and activities of the organization.

#### (a) Employment



No Authority employee or applicant for employment with the Authority will be denied employment or promotion because of race, color, religion, national origin, sex, sexual orientation, gender identity, age, veteran status or disability.

(b) Procurement

The Authority, its bidders, proposers, contractors, and subcontractors, consultants, and sub-consultants shall not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, age, veteran status or handicap disability in the award or performance of Authority contracts, subcontracts, and procurements.

(c) Board Obligation

In accordance with its Code of Ethics, at least annually, the Authority Board of Directors shall adopt a statement defining, affirming and expressing its corporate commitment to the ideal of inclusion and non-discrimination in all its practices, operations and conduct.

**14.045 Seal**

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

**14.056 Compliance with Open Meetings Act**

(a) Board Meetings

The Board will comply with the Open Meetings Act. Notice of every regular, special, or emergency meeting of the Board shall be posted in accordance with the Open Meetings Act. Except as authorized by the Open Meetings Act and these Bylaws, notices of meetings of the Board must be posted no less than 72 hours before the scheduled time of the meeting. Such notices will be posted at the Authority's administrative office and will be posted in the offices of the secretary of state and the county clerk of the county in which the administrative office of the Authority is located in accordance with the Open Meetings Act. The Board shall not take any final action, make a decision, or vote on any matter deliberated in a closed session, except in a properly noticed open meeting.

(b) Committee Meetings

Committees are not subject to the Open Meetings Act. However, notice of committee meetings shall be given consistent with the Open Meetings Act. In general, notices of regular and special committee meetings will be posted no less than 72 hours before the scheduled time of the meeting. Such notices will be (1) posted on the outside bulletin Board at the Authority's administrative offices (which is a place convenient to the public), (2) provided to the Secretary of State for posting as may be required by the Open Meetings Act, and (3) provided to the county clerk of Bexar County (the county in which the administrative office of the Authority is located) for posting as may be required by the Open Meetings Act.

#### **14.067 Meetings to Be Open to the Public**

All meetings of the Board or any committee shall be open to the public, subject to closure of such meetings as authorized by the Open Meetings Act.

#### **14.078 Compliance with Public Information Act**

The Board will comply with the Public Information Act.

#### **14.089 Notice to Advisory Committee**

The Board shall send to each Advisory Committee member all communications sent to directors, except under circumstances where sending these communications would be inconsistent with duties of legal counsel to the Authority or would conflict with attorney-client privilege or other privilege.

#### **14.0910 Draft Proposed Rules**

All rules approved or adopted by the Board as Draft Proposed Rules, Proposed Rules, Draft Final Rules or Final Rules shall be posted on the Authority's ~~Internet~~ web site.

#### **14.1011 Attorney-Client Privilege**

(a) The attorney-client privilege is available to the Authority. The attorney-client privilege protects communications between the Authority's counsel and the Authority that are intended by the Authority to be confidential as part of an overall relationship between the Authority and its counsel. It protects both the communications from the Authority, and any advice or other response given by the Authority's counsel, the primary purpose of which is legal. The attorney-client privilege operates to create a right in the Authority to refuse to disclose confidential communications with its counsel, or to allow its counsel to disclose them.

(b) The privilege may be asserted by the Board, any management level agent of the Authority, or the Authority's counsel.

(c) The privilege may be waived only if the Board adopts a resolution at a Board meeting duly conducted under the Open Meeting Act. If an individual director of the Board or an Authority employee voluntarily discloses privileged statements or information, such disclosure is not to be construed as a waiver of the attorney-client privilege.

## ARTICLE II DIRECTORS AND OFFICERS

### Section

- 2.01 Board of Directors
- 2.02 Terms of Office
- 2.03 Officers; Election of Officers; Terms of Office
- 2.04 Board Vacancies - Elected Voting Directors
- 2.05 Board Vacancies - Appointed, Non-voting Directors

### 2.01 Board of Directors

(a) The Board of Directors is the governing body of the Authority and is responsible for all affairs of the Authority. The Board's rights, powers, duties, and responsibilities are provided in the Act, and, to the extent applicable, chapters ~~3649 and 51~~, of the Texas Water Code, and other applicable general laws. The Board's powers include, but are not limited to, adopting and enforcing reasonable rules, and orders to manage and protect the Edwards Aquifer.

### ~~2.02 Terms of Office~~

~~(ab)~~ The Board is composed of 17 directors, including Fifteen~~15~~ voting directors are elected from single-member election districts described in Section 1.093 of the Act. ~~Two, and 2~~ nonvoting ~~appointed~~ directors are appointed as provided for in subsections (c) and (d) of this section.

~~(bc)~~ One nonvoting director shall be appointed by the Advisory Committee from the members of the Committee.

~~(d) The~~ One other nonvoting director shall be appointed by the commissioners court of Medina County or Uvalde County, on an alternating basis. The nonvoting director appointed must be a resident of the appointing county. ~~The commissioners court of Medina County shall appoint a nonvoting director for the four-year term beginning December 1, 1996.~~

~~(e) The initial nonvoting directors' terms begin December 1, 1996 and expire December 1, 2000. Subsequent regular appointments of nonvoting directors shall be made on or before the date of the directors' election held for even-numbered districts. Subsequent nonvoting appointed directors' terms expire December 1 following the appointment of the directors' successors. A nonvoting director shall serve until a successor is duly appointed and qualified.~~

~~(d) Commencing in 1998, the Board shall order elections of the appropriate number of directors to replace directors holding elected offices whose terms are nearest expiration, to be held on the uniform election date in November of each even-numbered year. Such elections shall be conducted as provided in the Act, the Election Code, and in Article 7 of these Bylaws.~~

## **2.02 Terms of Office –Elected Directors**

(ea) Elected directors serve four-year terms commencing on December 1 of the year in which they are elected. Elected director terms are staggered with as near as possible to one-half of the members' terms expiring December 1 of each even-numbered year. Elected directors hold office until the date that a successor has been elected, as applicable, and the successor has fully performed all acts required by law to be duly qualified to be seated as a member of the board.

(b) The Board shall order elections of the appropriate number of directors to replace directors holding elected offices whose terms are nearest expiration, to be held on the uniform election date in November of each even-numbered year. Such elections shall be conducted as provided in the Act, the Election Code, and in Article 7 of these Bylaws.

## **2.03 Terms of Office – Appointed Directors**

(a) Regular appointments of nonvoting directors shall be made on or before the date of the directors' election held for even-numbered districts.

(b) Appointed directors serve four-year terms commencing on December 1 of the year in which they are appointed. Appointed directors hold office until the date that a successor has been appointed, as applicable, and the successor has fully performed all acts required by law to be duly qualified to be seated as a member of the board.

(ec) The term of a newly elected or appointed director shall commence on December 1 following the election and upon the director taking the oath of office and meeting all other qualifications.

## **2.0304 Officers; Election of Officers; Terms of Office**

At the January regular meeting of the Board following an election of new directors, the following officers shall be elected by the Board: Chair~~man~~, Vice Chair~~man~~, Secretary, and Treasurer. In addition, two additional directors shall be elected by the Board to serve with the board officers on the Executive Committee (see Section 5.01(b)). ~~Officers-~~These directors elected by the Board shall serve two-year terms commencing on the date of the Board meeting at which the election occurred and continue until their successors have been elected.

## **2.0405 Board Vacancies - Elected Voting Directors**

(a) Except for appointed directors, the filling of vacancies is within the jurisdiction of the Board. If an elected 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 Authority may not commence the filling of a Board vacancy under Subsection (d) until the director has filed: (1) a letter of resignation; or (2) a notice of ~~his or her~~their intent to resign. If a Board member files a notice of

intent to resign, he or she must still file a letter of resignation for the Board to be able to declare the position vacant.

(b) It is the policy of the Board that the selection of new directors to fill vacant positions be fair, open and respect the voters of the area to be represented.

(c) 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 ~~Chairman~~Chair, 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.

(d) Pursuant to section 49.105(a), Texas Water Code, vacancies on the Board shall be filled by appointment of the Board not later than the 60th day after the date the vacancy occurred.

(e) In the event the Board is unable to fill the vacancy by the 60<sup>th</sup> day, the Board shall take action as soon as practicable thereafter to fill the vacancy in recognition of other vacancy filling provisions provided by section 49.105, Texas Water Code.

(f) The Board will fill vacancies for voting directors in accordance with the following procedure:

(1) For a vacancy under section 2.04(c)(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 quorum. For all other resignations, the declaration of vacancy shall be made by the Board at the meeting at which the ~~general manager~~General Manager presents facts to the Board reasonably supporting a declaration of vacancy.

(2) After either a letter of resignation, or notice of intent to resign, has been filed, the ~~general manager~~General Manager must give notice of the vacant (or potentially vacant) position, and that the Authority is accepting applications from qualified persons to fill the vacancy. The notice of vacancy (or potential vacancy) shall be published one (1) time in at least one newspaper circulated in the single member district for which the Board has received a letter of resignation, or notice of intent to resign. The notice shall contain the following information:

(A) the number of the vacant (or potentially vacant) single member district;

(B) the minimum qualifications to serve as a member of the Board;

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

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

(E) the deadline for filing an application to fill the vacant (or potentially vacant) direction position;

(F) the address of the Authority;

(G) the name and telephone number of the Authority contact person for further information; and

(H) any other information that in the judgment of the ~~general manager~~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 Authority no later than 5:00 p.m. on the 30th day after the last date of publication of the notice in a newspaper. For any applications that are not timely filed, the ~~general manager~~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 the application filing deadline set out in subsection (f)(3).

(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~~General Manager to reopen the application process and publish another notice of vacancy according to the procedures set out in this subsection.

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

(g) 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.

(h) 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 Authority, whichever is earlier. A director may withdraw a written notice of intent to resign prior to the filing of a letter of resignation.

## **2.0506 Board Vacancies - Appointed, Non-voting Directors**

(a) For appointed directors, the filling of vacancies is within the jurisdiction of the appropriate appointing body. If an appointed non-voting director's position becomes vacant, the appropriate appointing body shall appoint a qualified person to serve for the unexpired portion of the term.

(b) The Board will fill vacancies for appointed non-voting directors in accordance with the following procedure:

(1) For a vacancy under section 2.04(c)(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 quorum. For all other resignations, the declaration of vacancy shall be made by the Board at the meeting at which the ~~general manager~~General Manager presents facts to the Board reasonably supporting a declaration of vacancy.

(2) After a declaration of vacancy by the Board, the ~~general manager~~General Manager will correspond with the appropriate appointing body and request a new appointment to fill the unexpired portion of the term. This request will be renewed each 30 days until a new director is appointed and has fully performed all acts required by law to be duly qualified to be seated as a member of the Board.

## ARTICLE III DUTIES OF OFFICERS

### Section

- 3.01 ~~Chairman~~Chair
- 3.02 Vice ~~Chairman~~Chair
- 3.03 Secretary
- 3.04 Treasurer

### 3.01 ~~Chairman~~Chair

Except as provided for in Section 6.14 of these Bylaws, the ~~Chairman~~Chair shall preside at all meetings of the Board. The ~~Chairman~~Chair shall execute contracts, obligations, undertakings, conveyances and other instruments on behalf of the Board when so authorized and when directed by the Board. The ~~Chairman~~Chair shall 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 ~~Chairman~~Chair may appoint a Parliamentarian ~~from among the directors~~, who shall serve at the pleasure of the ~~Chairman~~Chair. The ~~Chairman~~Chair shall serve as ~~Chairman~~Chair of the Executive Committee. The ~~Chairman~~Chair shall be a non-voting ex-officio member of all other committees.

### 3.02 Vice ~~Chairman~~Chair

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

### 3.03 Secretary

The Secretary, or the Assistant to the Secretary, shall attest 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.

### 3.04 Treasurer

The Treasurer shall serve as the ~~chairman~~Chair of the Finance/Administrative Committee and as such shall be responsible for submitting a proposed budget to the Board. The Treasurer shall be responsible for reporting financial and administrative matters to the Board.



## **ARTICLE IV                    MANAGEMENT OF THE AUTHORITY**

### **Section**

- 4.01    Duties of the General Manager
- 4.02    Term of the General Manager
- 4.03    Assistant to the Secretary
- 4.04    Assistant to the Treasurer
- 4.05    Non-Interference in Personnel Matters by Directors
- 4.06    Appointment of Acting General Manager
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- 4.13    Attendance of Directors at Staff Meetings

### **4.01    Duties of the General Manager**

(a)    The Board shall hire a General Manager to be the chief executive officer of the Authority. The General Manager shall be responsible for general and active management of the business of the Authority and shall have all those duties and responsibilities delegated by the Board. The “General Manager” is equivalent to the “executive director” referenced in the Act.

(b)    Except as provided by Sections 4.07 and 8.08 all contractors and employees of the Authority, shall be selected and hired by the General Manager and shall conduct their work under the General Manager’s supervision and direction. The General Manager may hire on behalf of the Authority all such employees and consultants for which allocation has been made in the annual budget. The General Manager may execute on behalf of the Authority, without further authorization by the Board, any contract for a project involving the expenditure of an amount no greater than fifty thousand dollars (\$50,000) for which general allocation for such type of contract has been made in the annual budget. This limit also applies to multiple contracts for the same project. Unless the expenditure is necessary in order to perform a procedural requirement mandated by law for the Authority to implement one of its activities, the General Manager may not execute on behalf of the Authority, without further authorization by the Board, multiple contracts totaling more than one hundred thousand dollars (\$100,000) with the same party for different projects in one calendar year. The General Manager shall execute other contracts, obligations, undertakings, conveyances and other instruments when so authorized and directed by the Board.

(c)    The General Manager may designate the Deputy General Manager to act on ~~his or her~~their behalf to manage the Authority’s activities. This designation includes but is not limited to signature authority for such things as contracts and purchase orders.

#### **4.02 Term of the General Manager**

The General Manager shall serve at the pleasure of the Board. The employment status of the General Manager shall not be altered in any respect, and no cause shall be required for termination of the General Manager, except as expressly provided to the contrary by written order or resolution of the Board.

#### **4.03 Assistant to the Secretary**

The Assistant to the Secretary shall be an employee of the Authority appointed to this position by the General Manager. The Assistant to the Secretary shall keep the minutes of all meetings of the Board. The Assistant to the Secretary may perform the functions of the Secretary as provided in Article 3.03.

#### **4.04 Assistant to the Treasurer**

The Assistant to the Treasurer shall be an employee or contractor of the Authority appointed to this position by the General Manager. The Assistant to the Treasurer shall maintain full and accurate accounts and records of receipts, disbursements and other financial transactions of the Authority in books belonging to the Authority kept in the general offices of the Authority, shall deposit all monies of the Authority to the credit of the Authority in such depositories as may be designated by the Board, and shall report such transactions to the Treasurer. The Assistant to the Treasurer may perform the ministerial functions of the office of the Treasurer in the case of the absence or disability of the Treasurer to act, as provided in Article 3.04.

#### **4.05 Non-Interference in Personnel Matters by Directors**

Neither the Board nor any member thereof shall interfere with the General Manager's authority over personnel matters, and in particular shall not instruct the General Manager to appoint to or remove from employment any person, except with respect to those positions which may be filled by the Board. Neither the Board nor any member thereof may give instructions to any employee or contractor of the Authority, either publicly or privately, inconsistent with these Bylaws and other policies and procedures of the Authority.

#### **4.06 Attendance of Directors at Staff Meetings**

Directors are not to attend staff meetings, unless specifically requested to do so by the General Manager. For the purpose of this section, the term "staff meetings" includes meetings between and among Authority staff and meetings between Authority staff and outside consultants third parties.

#### **4.0607 Appointment of Acting General Manager**

If the General Manager becomes incapacitated or is otherwise unable or unavailable to perform ~~his or her~~their duties, or in other extraordinary circumstances, the Board may appoint an Acting General Manager to perform the duties of General Manager on an interim basis. The Deputy

General Manager designated by the General Manager will act as Interim General Manager in the interim between the time the General Manager becomes unable to perform ~~his or her~~their duties and the Board takes action to name an Acting General Manager.

#### **4.0708 Legal Consultant Services**

General counsel services for the Board will be approved by the Board. The General Manager may retain special counsel for contested cases. The Board shall hire all legal consultants. The Board shall authorize the General Manager to develop procedures for reviewing, evaluating, selecting, and managing agreements for such services. All agreements shall be conducted in accordance with the following guidelines:

(a) “Legal consultants” – shall include the Authority’s counsel of record and all other individual attorneys or law firms engaged by the Authority.

(b) Whenever the Board decides to engage the services of one or more legal consultants, the Finance/Administrative Committee, except in cases where special expertise or experience is required, shall solicit for statements of interest and qualifications for such services. The General Manager shall then review and rank in order of preference in accordance with established evaluation criteria any proposals received by the Authority, interview the respondents, and make a recommendation to the Finance/Administrative Committee.

(c) After presentation to the Finance/Administrative Committee, the Committee may vote to adopt the General Manager’s recommendation and present the recommendation to the Board, or conduct a second evaluation process. If the secondary evaluation process is selected, the committee may then meet to review the responses, conduct interviews, evaluate all information received to date and prepare a final recommendation to the Board. The final selection will be submitted to the full Board during an open meeting for consideration.

(d) The General Manager shall be responsible for managing and administering the selection process as set out by the Finance/Administrative Committee. The General Manager will participate in all discussions regarding the selection process but will not have an official vote on the committee.

(e) In accordance with Article 10.06 of the Bylaws, it is the policy of the Board not to engage the services of any attorney or firm, which may have a direct or indirect conflict of interest with the Authority. Legal consultants will further provide to the Authority an affidavit executed by a managing partner stating that no conflicts exist and that they will not accept new clients with conflicts of interest.

(f) 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.

(g) The Board shall direct the General Manager to manage all aspects of the Authority’s agreement(s) with legal consultant firms. The General Manager shall oversee all daily activities of all legal consultants, except in those cases specifically identified by the Board.

(h) Directors may contact the legal consultants directly, for informational purposes. However, in such an event the director and the legal consultant shall contact the General Manager and ~~Chairman~~Chair of the Board to inform them of the communication. However, the ~~Chairman~~Chair may contact legal consultants as the need arises. This contact may occur at the request of another Board member. These communications do not have to be forwarded through, or discussed with, the General Manager.

(i) Legal consultants shall perform only work which has been expressly authorized by the General Manager, or the General Manager's designee, as directed by the Board. However, for legal services requested by a director, legal consultants shall perform only work expressly authorized by the Executive Committee. The request shall be made to the General Manager, who shall then place the item on the agenda of the next available Executive Committee meeting for consideration and action. Executive Committee approval is not required for director requests to the General Manager for staff activities or inquiries that are not legal in nature but, in the judgment of the General Manager, reasonably require the assistance of a legal consultant in responding to the director request. Invoiced amounts for any work not previously authorized by those individuals named above will be questioned and a thorough review of the item(s) will be conducted.

(j) With regard to matters discussed in closed session, materials distributed to directors labeled "Privileged and Confidential Communication between Attorney and Client" 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 Authority.

(k) All invoices for legal consultant services shall include the following information:

- (1) The attorney's name or initials who is billing,
- (2) Date of billing activity,
- (3) Amount of time billed,
- (4) Description of activity which includes topic and who requested/authorized attorney's activities.

(l) ~~Detailed-Summary~~ invoices are to be submitted to the Finance/Administrative Committee, with detailed invoices made available under separate cover in advance of the Finance/Administrative Committee meetings for review and discussion with the General Manager. The Finance/Administrative Committee's action and recommendation will be submitted to the Board in advance of the Board meeting. Detailed invoices will not be submitted to the entire Board.

(m) The monthly invoice presented for payment will be the final billing and is subject to negotiation. The invoice is to be submitted to the Authority by the ~~tenth~~15th day of the month and will be paid in full within 30 days unless questioned by the Finance/Administrative Committee and the Authority.

(n) The Board may also, with a majority vote, discontinue an agreement with one or more legal consultants. The Board shall conduct all such activity through the General Manager.

(o) If authorized by the Finance/Administrative Committee and Board, ~~t~~The General Manager shall evaluate the performance of the legal consultants. ~~This process shall be carried out upon authorization of the Finance/Administrative Committee and Board.~~ If utilized, both the Board and the General Manager shall contribute information to complete the evaluation. The General Manager shall forward a report to the Board after the evaluation process is completed.

~~Failure to adhere to this policy statement may result in immediate termination of the Authority's association with any individual or firm providing legal services to the Authority including any work in progress at the time notice is given by the Authority.~~

#### **4.0809 Guidelines for Selecting and Managing Legislative Consultants**

The Board will set the compensation and terms for legislative consultants. The scope of legislative consulting services and the compensation to be paid will be specified by written contract. The ~~general~~General manager~~Manager~~ will oversee the performance of legislative consultant activities. The ~~general~~General manager~~Manager~~ will develop procedures for reviewing, evaluating, selecting, and managing agreements for such services. All agreements will be conducted in accordance with the following guidelines:

(a) "Legislative consultants" – include the Authority's designated representative(s) authorized to present the Authority's position on all legislative matters.

(b) Whenever the Board decides to engage the services of one or more legislative consultants, the ~~general~~General manager~~Manager~~, except in cases where special expertise or experience is required, will solicit statements of interest and qualifications for such services. The ~~general manager~~General Manager will then review and rank in order of preference in accordance with established evaluation criteria any proposals received by the Authority, interview the respondents, and make a recommendation to the Executive Committee.

(c) After presentation to the committee, the committee may vote to adopt the ~~general~~General manager's~~Manager's~~ recommendation and present the recommendation to the Board or conduct a second evaluation process. If the secondary evaluation process is selected, the committee may then meet to review the responses, conduct interviews, evaluate all information received to date and prepare a final recommendation to the Board. The final selection will be submitted for consideration by the full Board.

(d) In accordance with Article 10.06 of the Bylaws, it is the policy of the Board not to engage the services of any individual or firm that may have a direct or indirect conflict of interest with the Edwards Aquifer Authority. Legislative consultants will further provide to the Authority an affidavit stating that no conflicts exist and that they will not accept new clients that would create a conflict of interest.

(e) The selected individual/firm serves at the pleasure of the Board and must agree to

conduct all activities in accordance with these guidelines.

(f) The Board will direct the ~~general manager~~General Manager to manage all aspects of the Authority's agreement(s) with legislative consultant(s). The ~~general manager~~General Manager will oversee all daily activities of the legislative consultant(s).

(g) ~~Within 30 days of contract execution, t~~The legislative consultant(s) will prepare and submit to the ~~general manager~~General Manager a strategic plan for the Authority's legislative efforts during the contract period. The ~~general manager~~General Manager and the legislative consultant(s) will present this report at the next regularly scheduled Executive Committee meeting, followed by the next regularly scheduled Board meeting.

(h) All communications pertaining to work assignments with legislative consultant(s) are to be forwarded through the ~~general manager~~General Manager. During each legislative session, the members of the Executive Committee are those individuals authorized to represent the Authority's official position on legislative matters. The legislative consultant(s) will provide updates to the ~~Executive Committee~~ and the Board as may be required. For the periods of time not during the legislative session, the legislative consultant(s) will submit a monthly report to the Board describing activities and other actions taken during the previous month. The Board will establish the Authority's position for each legislative session.

(i) The legislative consultant(s) will only perform work that has been expressly authorized by the ~~general manager~~General Manager or the Board.

(j) All invoices for legislative consultant services will include a summary of the work performed during the previous month.

(k) Monthly invoices are to be submitted to the ~~general manager~~General Manager for approval. The ~~general manager~~General Manager will withhold payment of the invoices until all required reports have been filed with the Board. The legislative consultant(s) may appeal to the Executive Committee a decision of the ~~general manager~~General Manager to withhold payment.

(l) The monthly invoice presented for payment will be the final billing. The invoice is to be submitted to the Authority by the tenth day of the month and will be paid in full within 30 days unless questioned by the General Manager or appealed to the Board.

(m) The Executive Committee may evaluate the performance of the legislative consultant(s) biennially. Both the Board and the ~~general manager~~General Manager may contribute information to complete the evaluation. The Executive Committee may forward a report to the Board after the evaluation process is completed.

~~Failure to adhere to these guidelines may result in immediate termination of the Authority's association with any individual or firm providing legislative consultant services to the Authority including any work in progress at the time notice is given by the Authority.~~

#### **4.0910 Guidelines for Selecting and Managing Auditor Consultants**



The Board will set 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. The ~~general manager~~General Manager will oversee the performance of auditor consultant activities. The ~~general manager~~General Manager will develop procedures for reviewing, evaluating, selecting, and managing agreements for such services. All agreements will be conducted in accordance with the following guidelines:

(a) “Auditor consultants” – include the Authority’s designated representative(s) authorized to perform all auditor functions of the Authority as may be required by law.

(b) Whenever the Board decides to engage the services of one or more auditor consultants, the ~~general manager~~General Manager, except in cases where special expertise or experience is required, will solicit statements of interest and qualifications for such services. The ~~general manager~~General Manager will then review and rank in order of preference in accordance with established evaluation criteria any proposals received by the Authority, ~~interview~~evaluate the respondents, and make a recommendation to the Finance/Administrative Committee.

(c) After presentation to the committee, the committee may vote to adopt the ~~general manager~~General Manager’s recommendation and present the recommendation to the Board or conduct a second evaluation process. If the secondary evaluation process is selected, the committee may then meet to review the responses, conduct interviews, evaluate all information received to date and prepare a final recommendation to the Board. The final selection will be submitted for consideration by the full Board.

(d) In accordance with Article 10.06 of the Bylaws, it is the policy of the Board not to engage the services of any individual or firm that may have a direct or indirect conflict of interest with the Authority. Auditor consultants will further provide to the Authority an affidavit stating that no conflicts exist and that they will not accept new clients that would create a conflict of interest.

(e) The selected individual/firm serves at the pleasure of the Board and must agree to conduct all activities in accordance with these guidelines.

(f) The Board will direct the ~~general manager~~General Manager to manage all aspects of the Authority’s agreement(s) with auditor consultants. The ~~general manager~~General Manager will oversee all daily activities of the auditor consultants.

(g) All communications pertaining to work assignments with auditor consultants are to be forwarded through the ~~general manager~~General Manager. The auditor consultants will provide updates to the Finance/Administrative Committee and the Board as required.

(h) The auditor consultants will only perform work that has been expressly authorized by the ~~general manager~~General Manager, the Finance/Administrative Committee, or as directed by the Board.

(i) All invoices for auditor consultant services will include a summary of the work performed during the previous billing period.

(j) Invoices are to be submitted to the ~~general manager~~General Manager for approval by the tenth day of the month and will be paid in full within 30 days unless questioned by the General Manager or appealed to the Finance/Administrative Committee.

(k) The Finance/Administrative Committee may evaluate the performance of the auditor consultants annually. Both the Board and the ~~general manager~~General Manager may contribute information to complete the evaluation. The Finance/Administrative Committee may forward a report to the Board after the evaluation process is completed.

~~Failure to adhere to these guidelines may result in immediate termination of the Authority's association with any individual or firm providing auditor consultant services to the Authority including any work in progress at the time notice is given by the Authority.~~

#### **4.1011 Other Consultant Services**

The Board shall set the compensation and terms for consultants. In selecting, engineers, auditors, financial advisors, or other professional consultants, the Authority shall comply with the Professional Services Procurement Act, chapter 2254, Texas Government Code. The scope of consulting services and the compensation to be paid therefore shall be specified by written contract. The Board may authorize the General Manager to oversee the performance of consulting activities.

#### **4.1112 Bond Required**

The Board shall require an officer, employee, or consultant who collects, pays, or handles any funds of the Authority to furnish good and sufficient bond, payable to the Authority, in an amount determined by the Board to be sufficient to safeguard the Authority. The bond shall be conditioned on the faithful performance of that person's duties and on accounting for all funds and property of the Authority. Such bond shall be signed or endorsed by a surety company authorized to do business in the state.

#### **4.1213 Bond Payment**

The Board shall pay the premium on surety bonds required of officials, employees, or consultants of the Authority out of any available funds of the Authority.

#### **4.13 — Attendance of Directors at Staff Meetings**

~~Directors are not to attend staff meetings. For the purpose of this section, the term "staff meetings" includes meetings between and among Authority staff and meetings between Authority staff and outside consultants.~~



## ARTICLE V

## ~~EXECUTIVE COMMITTEES~~

### Section

- 5.01 ~~Executive Committee~~Members
- 5.02 ~~Standing Committees~~Purpose
- 5.03 ~~Ad Hoc Committees~~Officers
- 5.04 ~~Conduct of Committee Meetings~~Meetings of the Executive Committee
- 5.05 ~~Notice of Committee Meetings~~Telephone Conferencing
- 5.06 ~~Telephone Conferencing~~Reports
- 5.07 ~~Video Conferencing~~Quorum

### 115.01 Executive Committee

#### (a) Purpose and Responsibilities

(1) The Executive Committee shall be limited to the powers conferred upon it by the Board in these Bylaws or other Board action. The Board may not confer any powers on the Executive Committee that are inconsistent with the Act or other law. Responsibilities of the Executive Committee are detailed in Section 11.01(b)(2) of the Bylaws.

(2) The Executive Committee shall set the agenda for the Board as provided by article 6.05, and, when prudent, consider and make recommendations on issues within the jurisdiction of other committees that are unable to meet or establish a quorum in order to efficiently and expeditiously transact the business of the Authority.

(3) The Executive Committee shall consider and make recommendations to the Board on matters relating to legislation. However, expression of views that may be inconsistent with that of the Authority's official legislative position are not to be represented as being on behalf of the Board or the organization. As a courtesy and in the interest of transparency, a director shall notify the General Manager and/or the Legislative Consultant of any communication with members of the Texas Legislature or their staff regarding Authority business or concerns.

(4) The Executive Committee shall solicit and review input from individual directors regarding the annual evaluation of the General Manager's performance.

(5) Except as pertaining to Article IX, which shall be reviewed annually by the Finance/Administrative Committee, the Executive Committee shall review and amend the Authority Bylaws as necessary.

#### (b) Members

The Executive Committee of the Board shall consist of the Officers as defined in Section 2.04.

### (c) Officers

The ~~Chairman~~Chair shall serve as the ~~chairman~~Chair of the Executive Committee and shall preside over all meetings of the Executive Committee.

### 5.02 Standing Committees

(a) The standing committees of the Board are the Aquifer Management Planning Committee, ~~the Executive Committee~~, the Finance/Administrative Committee, the Permits/Enforcement Committee, and the Research & Technology Committee.

(b) **Consistent with the schedule described in Section 2.04,** ~~The Chairman~~Chair shall appoint members of the Board to serve on standing committees to consider and make recommendations to the Board concerning the business policies and activities of the Authority. ~~The standing committees of the Board are the Aquifer Management Planning Committee, the Executive Committee, the Finance/Administrative Committee, the Permits Committee, and the Research & Technology Committee.~~

(c) Each standing committee must include directors from at least three different counties. Members serve until successor standing committee members have been appointed or until the director leaves office, whichever comes first.

(~~b~~d) In addition to other matters referred by the ~~Chairman~~Chair of the Board, the Committee responsibilities are as follows:

(1) The Aquifer Management Planning Committee shall consider and make recommendations on matters relating to the Critical Period Management Plan; the Comprehensive Management Plan; the Edwards Aquifer Habitat Conservation Plan; new supply sources; implementation of alternative management practices, procedures and methods; other strategies for achieving the mandates of the Act; water quality; and artificial recharge issues.

(2) ~~The Executive Committee shall set the agenda for the Board as provided by article 6.05, and, when prudent, consider and make recommendations on issues within the jurisdiction of other committees that are unable to meet or establish a quorum in order to efficiently and expeditiously transact the business of the Authority. The Executive Committee shall consider and make recommendations to the Board on matters relating to legislation. However, expression of views that may be inconsistent with that of the EAA's official legislative position are not to be represented as being on behalf of the Board or the organization. As a courtesy and in the interest of transparency, a director shall notify the General Manager and/or the Legislative Consultant of any communication with members of the Texas Legislature or their staff regarding EAA business or concerns.~~

(32) The Finance/Administrative Committee will be chaired by the Treasurer of the Board and shall consider and make recommendations on matters relating to internal fiscal operations; audit; budget; all fees; management policies and oversight; internal organization and oversight; employee policies and benefits; public information; **Bylaw review**; General Counsel

and other legal services; and meeting procedures.

(43) The Permits/Enforcement Committee shall consider and make recommendations on matters relating to the issuance, transfer, **compliance, grievance, enforcement,** monitoring and reporting of permits and ~~other matters relating to permitting and metering, or permit transfer/marketing rules.~~ **general compliance with Authority rules.**

(54) The Research & Technology Committee shall consider and make recommendations on matters relating to the collection and development of scientific data; technological assessment of alternative management practices, procedures and methods; and technical studies.

~~\_\_\_\_\_ (c) Each standing committee must include directors from at least three different counties. Members serve until successor standing committee members have been appointed or until the director leaves office, whichever comes first.~~

#### **11.025.03 Ad Hoc Committees**

(a) The ~~Chairman~~Chair may from time to time appoint members of the Board to serve on ad hoc committees to consider and make recommendations to the Board concerning matters of interest to the Authority. These ad hoc committees will be impaneled as stipulated by the ~~Chairman~~Chair.

(b) An ad hoc committee's impaneling may be dissolved at the discretion of the ~~Chairman~~Chair with notice to the Board.

#### **11.035.04 Conduct of Committee Meetings**

~~(a) Standing Committees~~ ~~Chairman~~Chair

The ~~Chairman~~Chair may appoint a member of a standing or ad hoc committee to serve as ~~C~~chairman of the committee. In the absence of such an appointment, the ~~standing~~ committee shall elect its own ~~chairman~~chair who shall serve for the remainder of the term or until a new committee ~~chairman~~chair is appointed or elected.

~~\_\_\_\_\_ (b) Ad Hoc Committees~~

~~\_\_\_\_\_ The Chairman may appoint a member of an ad hoc committee to serve as Chairman of the committee. In the absence of such an appointment, the ad hoc committee shall elect its own Chairman.~~

(c) Committee Reports

The ~~Chairman~~ of any committee may appoint one of the members of the committee or a member of the staff to serve as committee Assistant to the sSecretary to shall prepare and archive reports of the committee meetings. Committee reports will be submitted to the Board at Board

meetings made available upon request.

(d) Committee Action

A committee may take one of the following actions relative to an item pending before the committee:

(1) ~~Approve~~Recommend the item for ~~recommending the~~ Board ~~approve~~approval;

(2) ~~Approve the item for~~Forwarding the item to the Board with no recommendation;

(3) Subject to recall by the Board, defeat a motion to recommend ~~the~~ Board ~~approve~~approval of the item; or

(4) Table the item for future committee consideration.

(e) Gathering of Less Than a Quorum of a Committee

In the event a scheduled committee meeting is unable to be convened because a quorum of the committee is not present, the members of the committee present may nonetheless gather to review and discuss the items listed on the agenda. However, this gathering is not a meeting of the committee. No votes or other action may be taken, nor may any recommendations be made to the Board on behalf of the committee. The committee members present may authorize staff to refer time-sensitive items directly to the Board without a committee recommendation.

(f) Committee Parliamentary Procedures

Business may be considered in accordance with Robert's Rules of Order or other standard rules of procedure as may be adopted by the Board for its committees. The ~~chairman~~chair of the ~~C~~committee may also, to the extent permitted by applicable laws, suspend by a majority vote any such standard rules. Any issues of parliamentary procedure may be resolved by majority vote of the committee.

**11.045.05 Notice of Committee Meetings**

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

(b) The Assistant to the Secretary will notify all members of a committee by ~~mail~~email or; telephone 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 ~~Chairman~~chair of the committee in

consultation with the assigned committee staff liaison assigned to the committee.

(d) All committee meetings shall be held in the general offices of the Authority or at such other place as may be determined by the Authority.

### **5.05 Telephone Conferencing**

Telephone conferencing is allowed only if an emergency or public necessity exists as defined in Section 6.03 of the Bylaws and convening at one location is difficult or impossible. Each part of the telephone conference call meeting that is part of the open meeting shall be audible to the public at the location specified in the meeting notice and shall be tape-recorded as part of the meeting. The location designated in the meeting notice shall provide two-way communication during the entire telephone conference call meeting and the identification of each party shall be clearly stated prior to speaking.

### **11.055.06 Video Conferencing**

Director attendance at a committee meeting via video conferencing is allowed when all requirements contained in Section 551.127 of the Texas Government Code are met. In order for the required notice to be provided to the public, a director must inform staff of their intent to participate via videoconference no later than the **Wednesdayseven days** before the committee meeting and must provide staff with the location from which they wish to participate. Any location used by a director to participate via videoconference must be open to the public.

### **5.01 — Members**

~~— The Executive Committee of the Board shall consist of the Chairman, Vice Chairman, Secretary, Treasurer, and two additional directors elected by the Board.~~

### **5.02 — Purpose**

~~The Executive Committee shall be limited to the powers conferred upon it by the Board in these Bylaws or other Board action. The Board may not confer any powers on the Executive Committee that are inconsistent with the Act or other law. Responsibilities of the Executive Committee are detailed in Article 11.01(b)(2) of the Bylaws.~~

### **5.03 — Officers**

~~— The Chairman shall serve as the chairman of the Executive Committee and shall preside over all meetings of the Executive Committee.~~

### **5.04 — Meetings of the Executive Committee**

~~— Meetings of the Executive Committee shall be held in the general offices of the Authority or at such other place as may be determined by the Executive Committee. Meetings may be called by the Chairman or at the request of a majority of the Executive Committee.~~

### **5.05 — Telephone Conferencing**

~~———— Telephone conferencing is allowed only if an emergency or public necessity exists as defined in Section 6.03 of the Bylaws and convening at one location is difficult or impossible. Each part of the telephone conference call meeting that is part of the open meeting shall be audible to the public at the location specified in the meeting notice and shall be tape recorded as part of the meeting. The location designated in the meeting notice shall provide two-way communication during the entire telephone conference call meeting and the identification of each party shall be clearly stated prior to speaking.~~

**5.06 — Reports** ~~———— Actions taken in meetings of the Executive Committee shall be incorporated in written reports and provided to the Board at its next meeting. The Board must consider actions taken by the Committee at the next regular Board meeting and may ratify, modify or nullify any action taken. If the Board fails to act within 60 days, the action is deemed ratified.~~

### **5.07 — Quorum**

~~———— A quorum of the Executive Committee shall consist of not less than three (3) of its members. An affirmative vote by a majority of the membership of the Executive Committee is required to take action.~~

## ARTICLE VI            MEETINGS OF THE BOARD

### Section

- 6.01 Regular Meetings
- 6.02 Special Meetings
- 6.03 Emergency Meetings; Supplementation of Agenda
- 6.04 Notice of Meetings
- 6.05 Agenda of Meeting
- 6.06 Quorum
- 6.07 Voting
- 6.08 Remote Conferencing
- 6.09 Conduct of Meetings
- 6.10 Nonvoting Directors
- 6.11 Members of the Advisory Committee
- 6.12 Board Action
- 6.13 Minutes
- 6.14 Committee Meetings “Converted” to Board Due to the Presence of a Board Quorum

#### 6.01 Regular Meetings

Regular meetings of the Board shall be held at such time and at such public locations as determined by the Board.

#### 6.02 Special Meetings

Special meetings of the Board may be called by: (1) the ~~chairman~~Chair; (2) a majority of the Executive Committee; or (3) by the joint action of at least five directors. Special meetings must be called at such times and at such locations as are convenient to the directors. Notice of special meetings called by joint action of the directors must be: (1) in writing; (2) filed with the General Manager or ~~his~~their designee; (3) state the name of the directors calling the meeting; (4) signed by each director calling the meeting; and (5) state the agenda items to be considered at the special meeting.

#### 6.03 Emergency Meetings; Supplementation of Agenda

The ~~Chairman~~Chair, a majority of the Executive Committee, five directors or the General Manager may call an emergency meeting of the Board at any reasonable time and place or by supplemental notice add an item to the agenda of a meeting for which notice has already been posted. An emergency exists only if immediate action is required by the Authority because of an imminent threat to public health or safety or a reasonably unforeseeable situation. The notice of emergency meeting or supplemental notice shall be posted no less than two hours before the meeting is convened and shall otherwise comply with the Open Meetings Act.

#### **6.04 Notice of Meetings**

Written notice of all regular and special meetings stating the place, day and hour of the meeting and the agenda therefore will be transmitted to each director no less than 72 hours prior to the meeting.

#### **6.05 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 Board agenda will be set by the Executive Committee in consultation with the General Manager. In the event the Executive Committee is unable to timely meet in order to consider the draft agenda proposed by the General Manager, then the General Manager in consultation with the ~~Chairman~~Chair of the Board, may set the agenda. Items may be added to the agenda upon the written or electronic mail request of any three directors if the request is received by the Secretary or the Assistant to the Secretary within a reasonable time prior to posting of the meeting notice.

(c) Items the Executive Committee determines require action by the Board, but which do not normally require briefing by the staff or public 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.

#### **6.06 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.

#### **6.07 Voting**



An act of the Board is not valid unless adopted by the affirmative vote of a majority of directors who are entitled to vote when a quorum is present. There shall be no voting by proxy.

#### **6.08 Remote Conferencing**

Telephone conferencing is allowed only if an emergency or public necessity exists as defined in Section 6.03 of the Bylaws and convening at one location is difficult or impossible. Each part of the telephone conference call meeting that is part of the open meeting shall be audible to the public at the location specified in the meeting notice and shall be tape-recorded as part of the meeting. The location designated in the meeting notice shall provide two-way communication during the entire telephone conference call meeting and the identification of each party shall be clearly stated prior to speaking.

Director attendance at a board meeting via video conferencing is allowed when all requirements contained in Section 551.127 of the Texas Government Code are met. In order for the required notice to be provided to the public, a director must inform staff of their intent to participate via videoconference no later than the Wednesday before the board meeting and must provide staff with the location from which they wish to participate. Any location used by a director to participate via videoconference must be open to the public.

#### **6.09 Conduct of Meetings**

(a) Except as provided for in Section 6.14 of these Bylaws, meetings of the Board shall be presided over by the ~~Chairman~~Chair, or in the ~~Chairman~~Chair's absence, the Vice ~~Chairman~~Chair, or in the absence of both the ~~Chairman~~Chair and the Vice ~~Chairman~~Chair, the Secretary, or in the absence of all three, the Treasurer. In the absence of all four such officers, the voting directors present shall elect a temporary ~~Chairman~~Chair for that meeting.

(b) Business may be considered in accordance with Robert's Rules of Order or other standard rules of procedure as may be adopted by the directors from time to time. Directors may also, to the extent permitted by applicable laws, suspend by a majority vote any such standard rules.

(c) The Parliamentarian shall decide issues of parliamentary procedure, but may be overruled by majority vote of the Board.

#### **6.10 Nonvoting Directors**

Nonvoting directors may participate in and comment on any matter before the Board in the same manner as a voting director. A nonvoting director may not vote on any matter before the Board. A nonvoting director may continue to vote at a committee meeting that has been "converted" to a Board meeting pursuant to Section 6.14 of these Bylaws.

#### **6.11 Members of the Advisory Committee**

Members of the Advisory Committee may participate in Board meetings to represent

downstream water supply concerns and assist in solutions to those concerns. As is the case with Board members, Advisory Committee members should request recognition from the ~~Chairman~~Chair to participate with the Board on matters before the Board. Advisory Committee members may not vote on matters before the Board.

#### **6.12 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.

#### **6.13 Minutes**

With the exception of committee meetings that have been “converted” to Board meetings pursuant to Section 6.14 of these Bylaws, actions taken in meetings will be incorporated in written minutes taken by the Secretary or Assistant to the Secretary and signed by the Secretary or the ~~Chairman~~Chair. A copy of the minutes will be sent with the agenda and submitted for approval to the members of the Board at the next regular or special meeting of the Board. The Secretary is responsible for the meeting minutes.

#### **6.14 Committee Meetings “Converted” to Board Due to the Presence of a Board Quorum**

A committee meeting that is attended by additional, non-committee member directors in numbers such that a quorum of the Board is present at that meeting is “converted” to a Board Meeting for the purposes of the Texas Open Meetings Act. Such meetings shall continue to be chaired by the presiding director of the committee. Non-committee member directors who are present at such a meeting shall have no right to vote on any matter before the committee. As is the case at any committee meeting, no final action of the Edwards Aquifer Authority will be taken at such a meeting.

## **ARTICLE VII        BIENNIAL ELECTION OF DIRECTORS**

### **Section**

- 7.01    Time for Holding Biennial Election
- 7.02    Filing by Candidates
- 7.03    Preparation of the Ballot
- 7.04    Cooperation with County Election Officials and Other Governmental Bodies
- 7.05    Election Returns; Canvass; Certification
- 7.06    Election Code, Voting Rights Act and Other Applicable Laws

### **7.01    Time for Holding Biennial Election**

Each biennial election to fill unexpired terms and to elect successors to those directors whose terms of office are to expire on December 1 of each even-numbered year will be held on the preceding uniform election date in November.

### **7.02    Filing by Candidates**

(a)    The Election Officer, as designated by the Board, shall prepare and make available to all applicants for candidacy forms for candidate applications and petitions complying with the requirements of the Texas Election Code. Directors shall be elected from single-member election districts.

(b)    Each candidate must file a duly executed application with the Election Officer by the time specified in the Texas Election Code. The Election Officer shall, upon receipt of each application, accept and file same.

### **7.03    Preparation of the Ballot**

The Election Officer shall prepare the official ballot for each election district from the names of candidates whose conforming applications have been duly and timely filed. The order of placing candidate names on the official ballot for each election district shall be determined by lot. The drawing of lots shall be supervised by the Election Officer at the offices of the Authority at such time and date specified in the order calling the election. Candidates or their designated representatives may be present at the drawing.

### **7.04    Cooperation with County Election Officials and Other Governmental Bodies**

The General Manager or the Election Officer of the Authority may make arrangements with the appropriate county election officials in each county of the Authority to conduct or assist in conducting the Authority's election.

### **7.05    Election Returns; Canvass; Certification**

Unless otherwise provided by the Board, the ballots shall be counted by the election officials appointed to conduct the election in each election district. Upon receipt of the returns from such officials or the county clerk in each county in which an election district is located, the Board shall canvass said returns and declare by order the results of the election.

#### **7.06 Election Code, Voting Rights Act and Other Applicable Laws**

All elections shall be conducted so as to comply with all applicable provisions of the Texas Election Code, the federal Voting Rights Act and other state and federal law.

## **ARTICLE VIII      FISCAL POLICY**

### **Section**

- 8.01    Fiscal Year
- 8.02    Annual Budget
- 8.03    Revisions of Annual Budget
- 8.04    Monthly Operating Statements
- 8.05    Accounting
- 8.06    Audit Services
- 8.07    Uniform Reporting
- 8.08    Fixed Assets

### **8.01    Fiscal Year**

The fiscal year of the Authority shall commence on January 1<sup>st</sup> of each calendar year and shall terminate on the following December 31<sup>st</sup>.

### **8.02    Annual Budget**

(a)    The General Manager shall prepare a proposed annual budget for the forthcoming fiscal year, which shall be distributed to the Board. The Finance/Administrative Committee, chaired by the Treasurer, shall review the proposed budget and submit any recommended revisions to the Board.

(b)    The Board may adopt an annual budget for the forthcoming fiscal year at a regular or special meeting. Each annual budget adopted by the Board shall set forth:

(1)    Estimates of the amount of funds available from all sources for expenditure by the Authority during the next fiscal year; and

(2)    Allocations of the amount of funds that may be expended during the forthcoming fiscal year. Such allocations shall vest in the General Manager full authority, without further authorization of the Board, to expend funds of the Authority in amounts up to, but not exceeding, the amounts specifically allocated for such purposes in the annual budget, except as otherwise provided in these Bylaws.

### **8.03    Revisions of Annual Budget**

(a)    The annual budget may be amended or revised after its adoption at any meeting of the Board. Any proposed increase in total expense appropriations requires Board approval of a budget amendment.

(b)    The General Manager may transfer funds as needed between budgeted accounts according to the following limitations:

~~(1) No transfers to or from the Contingency account;~~

(21) Transfers must be within the General Manager's signature authority as described in 4.01(b); and

(32) The Assistant to the Treasurer will report all administrative transfers quarterly to the Finance/Administrative Committee.

#### **8.04 Monthly Operating Statements**

The General Manager shall submit monthly operating statements to the Board showing the status of allocations and expenditures.

#### **8.05 Accounting**

Each expenditure of the Authority shall be charged against funds allocated to the purpose for which such expenditure is made in accordance with generally accepted accounting principles.

#### **8.06 Audit Services**

An independent auditor will be selected annually by the Board at a time appropriate to allow work to begin as soon after the close of the fiscal year as is practical. The independent auditor may be requested by the Board to perform such interim audits or other special projects as the Board may deem necessary and shall submit a statement for services directly to the Board through the ~~Chairman~~Chair.

#### **8.07 Uniform Reporting**

(a) The accounting and reporting of the finances of the Authority shall be made in conformance with generally accepted accounting principles (GAAP) and the Governmental Accounting Standards board guidelines, Governmental Accounting and Financial Report Standards.

(b) A Comprehensive Annual Financial Report (CAFR) may be prepared in conformance with guidelines of the Government Finance Officers Association (GFOA) Certificate of Achievement Program.

(c) The Annual Budget may be prepared in conformance with guidelines of the GFOA Distinguished Budget Presentation Program.

(d) Financial reports of the Authority's funds will be generated on a monthly basis. The budget document will be updated with revisions and amendments. Special financial analysis reports will be prepared as needed.

(e) Operational data reports will be generated as appropriate and made available to the

Board.

#### **8.08 Fixed Assets**

It is the policy of the Edwards Aquifer Authority Board that the General Manager will establish procedures for the acquisition, inventory, depreciation, surplus and deletion of Authority capital fixed assets. Capital fixed assets shall be defined as “equipment, furniture, fixtures, etc., whose purchase price per unit is \$5,000 or more and has a useful life expectancy of more than one year.”

All capital fixed assets shall be assigned an inventory tag number and monitored by Authority staff to determine the total annual value of Authority assets. Authority staff is to conduct an annual physical inventory of all fixed assets and present a report to the Board regarding the status of all Authority assets. Authority staff recommendations for surpluses or deletions of any capital fixed assets must be submitted to the Board for approval at the time the annual capital fixed assets report is presented to the Board.

## **ARTICLE IX            INVESTMENT    POLICY    AND    INVESTMENT    STRATEGY STATEMENT**

### **Section**

- 9.01 Introduction and Scope
- 9.02 Objectives
- 9.03 Investment Strategy
- 9.04 Investment Officers
- 9.05 Authorized Investments
- 9.06 Investment Restrictions
- 9.07 Risk and Diversification
- 9.08 Investment Advisors
- 9.09 Selection of Authorized Brokers
- 9.10 Safekeeping and Custodial Agreements
- 9.11 Payment for Investment
- 9.12 Investment Reporting
- 9.13 Investment Training

### **9.01 Introduction and Scope**

The Edwards Aquifer Authority (the “Authority”) has developed this Investment Policy (the “Policy”) to satisfy the statutory requirements of Sections 49.157, and 49.199, Texas Water Code and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code and the Public Funds Collateral Act, Chapter 2257, Texas Government Code requiring local governments to define and adopt a formal written investment policy and written investment strategies for each fund under its control. This Policy applies to all financial assets of the following funds:

- General Fund
- Abandoned Well Closure Assistance Fund
- Conservation/Aquifer Protection Fund
- Habitat Conservation Plan Program Fund
- Other funds established from time to time

Except for cash in certain restricted and special funds, the Authority may consolidate cash and investment balances to ease cash management operations and maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

(a) It is the policy of the Edwards Aquifer Authority’s Board that all available funds are to be invested to the maximum extent possible with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs at the time of the investment in conformance with the legal and administrative guidelines outlined herein for each of the Authority’s funds.



(b) The Board shall review its Investment Policy and investment strategies not less than annually. In conjunction with its annual financial audit, the Authority shall also perform a compliance audit of management controls on investments and adherence to this Policy. If the Authority invests in other than money market mutual funds, investment pools or accounts offered by its depository banks in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the Investment Officers shall also be formally reviewed, and the result of the review shall be reported to the Board by the auditor.

(c) A written copy of this Policy shall be presented to any person offering to engage in an investment transaction with the Authority or to an investment management firm under contract with the Authority to invest or manage the Authority's investment portfolio.

(d) A business organization, as defined by Section 2256.005(k), Texas Government Code, to include a local government investment pool and a discretionary investment management firm under contract with the Authority shall execute a Certification by Business Organization form confirming the business organization has:

(1) received and reviewed the Authority's Investment Policy; and

(2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the Authority and the organization that are not authorized by the Authority's Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entire portfolio or requires an interpretation of subjective investment standards or relates to investment transactions of the Authority that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

## **9.02 Objectives**

The Authority recognizes that an effective Investment Policy is an essential element of sound fiscal management. To achieve this goal, the Authority states that its primary investment objectives, in the order of priority, are the preservation and safety of the principal, liquidity, investment diversification, reasonable yield, appropriate maturity dates, and the enhanced quality and capability of investment management.

(a) The Authority's Board and staff shall strive to ensure the preservation of principal in each investment transaction, achieve and maintain liquidity by matching investment maturities with forecasted cash flow requirements, and optimize return on the Authority's investment portfolio through sound investment management.

(b) In addition to achieving the stated objectives, all participants in the Authority's investment process shall act responsibly as custodians of the public trust. Investment Officers shall avoid any transaction that might impair public confidence in the Authority's ability to govern effectively.

### **9.03 Investment Strategy**

For all investments, the Authority will stagger maturity dates in accordance with cash flow expectations and analysis to meet liquidity and operation requirements. To determine portfolio performance, this Policy establishes the “weighted average yield to maturity” as the standard performance measurement.

(a) General Fund:

The General Fund comprises the basic operating functions of the Authority and accounts for all financial resources for which a separate fund has not been established. Investment revenue from this fund shall supplement existing revenues. On General Fund investments, the Authority will limit the investment to short term (two years or less). Intermediate term (more than two years) investments are not appropriate to the Authority’s objectives because of their inability to supplement current year operations. Within the General Fund, the Authority administers a General Fund Contingency Fund, which is not set up as an actual separate bank account but is simply delineated as a fund for budget purposes only.

(b) Abandoned Well Closure Assistance Fund:

The Abandoned Well Closure Assistance Fund was established to provide financial assistance to low-income well owners to help resolve abandoned well closure matters. Abandoned Well Closure Assistance Fund investment revenue shall provide financial assistance to future well owners in need of assistance. Therefore, the Authority will limit all investment to short term (two years or less).

(c) Conservation/Aquifer Protection Fund:

The purpose of the Conservation/Aquifer Protection Fund shall be to hold funds, and the earnings there from, to be expended by the Authority for various projects related to the conservation and protection of the Aquifer. These funds come from payments by violators of the Authority’s rules. Conservation/Aquifer Protection Fund investment revenue shall provide for the funding of future and/or on-going projects and programs related to this fund. Therefore, the Authority will limit all investment to short term (two years or less).

(d) Habitat Conservation Plan Program Fund:

The purpose of the Habitat Conservation Plan Program Fund shall be to hold funds, and the earnings there from, to be expended by the Authority for various projects detailed in the “Implementing Agreement” between the Authority, various parties and the United States Fish and Wildlife Service. The primary source of revenue to implement the Habitat Conservation Plan is an annually determined Program Aquifer Management Fee assessed against municipal and industrial permit holders and contributions from various parties subject to a “Joint Funding Agreement” for the implementation of the Habitat Conservation Plan. The Authority’s objectives under the Habitat Conservation Plan Program involve accumulation of funds in excess of annual operational needs to cover costs during irregular periods for certain programs over the life of the Habitat Conservation Plan. Therefore, the Authority will limit all investment to short and intermediate term (five years or less).

#### 9.04 Investment Officers

(a) The Authority’s Board designates the Executive Director - Administration and Financial Services and the Controller as the Investment Officers. The Board delegates to the Investment Officers of the Authority, the authority and responsibility to manage the Authority’s investment program subject to all applicable laws, the Authority’s written Investment Policy, including all amendments, and directions, policies and resolutions from time to time adopted by the Board.

(1) It is understood that implicit in this grant of authority is authorization for the Executive Director for Administration and Financial Services to make further delegations of duties as are appropriate and necessary to satisfy the Authority’s investment responsibilities.

(2) All investments shall be made with judgment and care under circumstances then prevailing that persons of prudence, discretion, and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

(3) The Authority’s Board retains ultimate responsibility as a fiduciary of the Authority’s assets. Each Investment Officer, and ~~his/her~~their designees, acting in accordance with this Policy and written strategies, and exercising due diligence shall be relieved of personal responsibility and liability in the management of the portfolio, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse market effects.

(4) Each Investment Officer, if he/she has a personal business relationship with an entity seeking to sell an investment to the Authority, shall file a statement disclosing that personal business relationship with the Texas Ethics Commission and the Board of the Authority. A personal business relationship will exist if:

(A) the Investment Officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;

(B) funds received by the Investment Officer from the business organization exceed 10 percent of the Investment Officer's gross income for the previous year; or

(C) the Investment Officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the Investment Officer.

(5) Each Investment Officer, if he/she is related to an individual seeking to sell an investment to the Authority within the second degree of affinity or consanguinity as determined under chapter 573 of the Texas Government Code, shall file a statement disclosing the relationship with the Texas Ethics Commission and the Board of the Authority.

### **9.05 Authorized Investments**

The Authority may invest in the following investments as authorized by the Public Funds Investment Act, Texas Government Code Chapter 2256.

(a) Obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks and letters of credit,

(b) Direct obligations of the State of Texas or its agencies and instrumentalities,

(c) Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of the State of Texas, the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States,

(d) Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent,

(e) Financial Institution Deposits issued by a state or national bank, savings bank, or credit union in compliance with the Public Funds Investment Act that are insured by the Federal Deposit Insurance Corporation or its successor, or the National Credit Union Share Insurance Fund or its successor, or collateralized in compliance with the Public Funds Investment Act, the Public Funds Collateral Act and this Policy. Quotes for certificates of deposit may be solicited orally, in writing, electronically, or in any combination of those methods.

(f) Fully collateralized repurchase agreement(s) if the repurchase agreement:

(1) has a defined termination date;

(2) is secured by cash or obligations described by Section 2256.009(a)(1) of the Texas Government Code;

(3) requires the cash or securities being purchased by the entity to be pledged to the entity, held in the entity's name, and deposited at the time the investment is made with the entity or with a third party selected and approved by the entity; and

(4) is placed through a primary governmental securities dealer, as defined by the Federal Reserve, or a financial institution doing business in Texas.

(g) No-load money market mutual fund(s) if the mutual fund:

(1) is registered with and regulated by the Securities and Exchange Commission;

(2) includes in its investment objectives the maintenance of a stable net asset value of \$1.0000 for each share;

(3) invests funds in a manner consistent with a "government" money market mutual fund;

(4) maintains a AAA-m, or equivalent rating from at least one nationally recognized rating agency; and

(5) provides the Authority with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940.

(h) A guaranteed investment contract for bond proceeds if the guaranteed investments contract:

(1) has a defined termination date;

(2) is secured by obligations described by Section 2256.009(a)(1) of the Texas Government Code, excluding those obligations described by Section 2256.009(b) of the Texas Government Code, in an amount at least equal to the amount of bond proceeds invested under the contract;

(3) is pledged to the Authority and deposited with the Authority or with a third party selected and approved by the Authority;

(4) is specifically authorized as an eligible investment in the order, ordinance or resolution authorizing the issuance of bonds;

(5) provides for the receipt of bids from at least three separate providers with no material financial interest in the bonds from which proceeds are received;

(6) is purchased at the highest yield for which a qualifying bid is received;

(7) provides that the price accounts for the reasonably expected drawdown

schedule for the bond proceeds to be invested; and

(8) stipulates that the provider certifies the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

(9) Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested under Section 2256.015 of the Texas Government Code, in a guaranteed investment contract with a term of longer than five years from the date of issuance of the bonds.

(i) An eligible investment pool as provided in Section 2256.016 and 2256.019 of the Public Funds Investment Act. Among other requirements, the investment pool must furnish to the Authority's Investment Officer an offering circular or other similar disclosure that contains the maximum average dollar-weighted maturity allowed, based on the stated maturity date for the portfolio.

The Authority is not required to liquidate investments that were authorized investments at the time of purchase but no longer meet one or more requirements of this Policy. An investment that requires a minimum rating does not qualify as an authorized investment during the period that the investment does not have the minimum rating. The Authority shall monitor the rating of each issuer, as applicable, at least quarterly, and take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the minimum rating.

## **9.06 Investment Restrictions**

The Authority may not:

(a) invest an amount that exceeds 10 percent of the total assets of any one money market mutual fund;

(b) invest in obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;

(c) invest in obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;

(d) invest in collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and

(e) invest in collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

## **9.07 Risk and Diversification**

The Authority recognizes that investment risks can result from issuer defaults, market price

changes or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification that shall be achieved by the following general guidelines:

(a) Credit Risk – The Authority will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- (1) Limiting investments to the safest types of securities,
- (2) Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with whom the Authority will do business, and
- (3) Diversifying the investment portfolio so that potential losses on individual investments will be minimized.

(b) Interest Rate Risk – The Authority will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by:

- (1) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
- (2) Investing shorter-term operating funds primarily in liquid financial institution deposits, shorter-term securities, money market mutual funds or similar investment pools.

All investment funds shall be placed directly with authorized investment providers. The Authority will not deposit or invest funds through third parties or money brokers.

## **9.08 Investment Advisors**

By resolution, the Board may contract with an investment management firm to provide management advice and assist the Authority in the investment and management of the Authority's public funds and other funds under its control. The investment advisor shall be registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board. No such contract shall be for a term longer than two years, and a renewal or extension of such contract must be made by resolution of the Board.

To be eligible for consideration, an investment advisor shall demonstrate knowledge of and experience in the management of public funds within the state of Texas. An appointed investment advisor shall act within the guidelines of this Investment Policy while transacting business on behalf of the Authority.

## **9.09 Selection of Authorized Brokers**

The Authority Board shall, at least annually, review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Authority. The current list of approved Broker/Dealers is:

BBVA Securities, Inc.  
FTN Financial  
Frost Bank  
Multi-Bank Securities  
Rice Financial Products Co.  
Raymond James & Associates, Inc.  
Wells Fargo Securities

## **9.10 Safekeeping and Custodial Agreements**

The Authority shall contract with a bank or banks for the safekeeping of securities either owned by the Authority as part of its investment portfolio, or held as collateral to secure demand or time deposits. Securities owned by the Authority shall be held in the Authority's account as evidenced by safekeeping receipts of the institution holding the securities.

Collateral for deposits will be held by a third party custodian designated by the Authority and pledged to the Authority as evidenced by safekeeping receipts of the institution with which the collateral is deposited. Original safekeeping receipts shall be obtained. Collateral may be held by a Federal Reserve Bank or branch of a Federal Reserve Bank, a Federal Home Loan Bank, or a third party bank approved by the Authority.

Consistent with the requirements of the Public Funds Collateral Act, it is the policy of the Authority to require full collateralization of all Authority funds on deposit with a depository bank. In order to anticipate market changes and provide a level of security for all funds, with the exception of deposits secured with irrevocable letters of credit at 100% of amount, the minimum collateralization level will be 102% of market value of principal and accrued interest on the pledged deposits or investments, less an amount insured by the FDIC. At its discretion, the Authority reserves the right to accept or reject any specific pledged security as collateral, or to require a higher level of collateralization for certain pledged securities.

Securities pledged as collateral shall be held by an independent third party with which the Authority has a current custodial agreement, a Federal Home Loan Bank, or a Federal Reserve Bank. The Investment Officer is responsible for entering into collateralization agreements with third party custodians in compliance with this Policy. The agreements are to specify the acceptable securities for collateral, including provisions relating to possession of the collateral, the substitution or release of pledged securities, control of securities, and the method of valuation of securities. A clearly marked evidence of pledge (collateral receipt) must be supplied to the Authority and retained. Collateral shall be reviewed at least monthly to assure that the market value of the pledged securities is adequate. The result of such valuations shall be reported to the Authority's Finance/Administrative Committee at least semi-annually.

The Authority shall accept only the following types of collateral:

- (a) Obligations of the United States or its agencies and instrumentalities;



- (b) Direct obligations of the state of Texas or its agencies and instrumentalities;
- (c) Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
- (d) Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized rating firm not less than A or its equivalent with a remaining maturity of ten (10) years or less;
- (e) A surety bond issued by an insurance company rated as to investment quality by a nationally recognized rating firm not less than A; and
- (f) A letter of credit issued to the Authority by the Federal Home Loan Bank.

All collateral shall be subject to inspection and audit by the Investment Officer or the Authority's independent auditors.

Financial institutions serving as depositories will be required to sign a depository contract with the Authority, when applicable. The collateralized deposit portion of the contract shall define the Authority's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with federal and state regulations. Additionally, the contract must be approved by the Board of Directors or designated committee of the depository and a copy of the meeting minutes or adopted resolution must be delivered to the Authority.

### **9.11 Payment for Investment**

Payment shall be made by the Authority for investment securities authorized by this Policy upon delivery thereof to the Authority or to a custodial bank, or in the case of a book-entry transactions shall be done on a delivery versus payment basis and shall be credited to the custodial bank's Federal Reserve System account held in favor of the Authority. All transactions shall be confirmed in writing to the Authority.

### **9.12 Investment Reporting**

The Investment Officers shall provide a quarterly report to the General Manager and Board regarding the total investments for the quarter and a detailed listing for each investment. The report must:

- (a) Describe in detail the investment position of the Authority on the date of the report.
- (b) Be signed by each Investment Officer of the Authority.
- (c) Contain a summary statement of a pooled fund group that states the:

- (1) beginning market value for the reporting period;
  - (2) ending market value for the period; and
  - (3) fully accrued interest for the period.
- (d) State the book value and market value of each separately invested asset at the end of the reporting period by type of asset and fund type invested.
- (e) State the maturity date of each separately invested asset that has a maturity date.
- (f) State the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired.
- (g) State the compliance of the investment portfolio of the Authority as it relates to the investment strategy expressed in the Authority's Investment Policy and relevant provisions of the Public Funds Investment Act.

### **9.13 Investment Training**

Not later than the first anniversary of the date of the Investment Officers taking office or assuming the Officer's duties, each Investment Officer shall attend a training session of at least six hours of instruction relating to investment responsibilities under the Public Funds Investment Act and attend at least four hours of additional investment training within each two-year period after the first year. In accordance with the Public Funds Investment Act, the two-year period will align with the Authority's fiscal years. Training must be from an independent source approved by the Board, and shall include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Public Funds Investment Act. The current approved list of independent training sources is:

Government Finance Officers Association of Texas  
Government Treasurers' Organization of Texas  
American Institute of Certified Public Accountants (AICPA)  
Texas Society of Certified Public Accountants (TSCPA)  
Council of Governments  
University of North Texas Center for Public Management

## ARTICLE X PURCHASING AND CONTRACTING

### Section

- 10.01 Compliance with Legal Requirements and Principles of Conduct
- 10.02 Award of Certain Contracts
- 10.03 Procurement Activity, Responsibilities and Authorization
- 10.04 Source Selection and Contractor and Supplier Relations
- 10.05 Minority/Women Business Enterprise Policy
- 10.06 Conflicts of Interest Policy Regarding Consultant Services

#### 10.01 Compliance with Legal Requirements and Principles of Conduct

(a) The Edwards Aquifer Authority, its directors, employees and agents shall comply with all applicable procurement law and with the principles stated herein regarding the fair, unbiased, and inclusive manner by which the agency hereby commits itself to conduct all business.

(b) The General Manager is authorized by the Edwards Aquifer Authority Board to develop procurement procedures necessary to ensure that staff conducts all procurement activity in accordance with applicable laws and, as well as the these Authority Bylaws. ~~The General Manager may delegate procurement authority to one or more designated staff persons provided that any such delegation does not diminish the General Manager's ultimate authority. The General Manager shall retain responsibility for assuring complete compliance with all applicable procurement policy and procedure.~~

#### 10.02 Award of Certain Contracts

(a) The General Manager is authorized to enter into, or amend, on behalf of the Authority, certain contracts without further Board authorization as follows:

(1) Any purchase order, agreement, contract, or any other procurement instrument, for which the total dollar amount is \$50,000 or less, provided general allocation for the expenditure has been made in the annual budget;

(2) Any combination of multiple purchase orders, agreements contracts, or any other procurement instruments for separate and distinct projects (whether similar in nature or not), for which the cumulative total dollar amount with an individual vendor is \$100,000 or less, provided general allocation for the expenditure has been made in the annual budget;

(3) Any amendment to an authorized procurement instrument provided:

(A) general allocation for the amount of such amendment has been made in the annual budget;

(B) the cumulative estimated value of all amendments is less than 25%

of the original contract amount; and

(C) the total contract amendment does not exceed the General Manager's authority.

(4) Any emergency contract or contract amendment where the total dollar amount exceeds the General Manager's authorization. An "emergency" shall be defined as cases resulting from reasonable unforeseen circumstances in which postponing action until the next meeting of the Board will result in loss of property, danger to life or health, or have a major adverse effect on Authority activities. In cases of emergency, the General Manager is required to request ratification of these actions at the next scheduled Board meeting.

(b) All purchases, agreements, and contracts that individually require an expenditure of more than \$50,000, but do not exceed \$100,000, shall be approved by oral motion, duly seconded and passed, during a Board meeting. All purchase orders, agreements and contracts that exceed \$100,000 shall only be approved by written resolution of the Board adopted during a Board meeting.

### **10.03 Procurement Activity, ~~Responsibilities and Authorization~~**

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

~~———— (b) ——— The General Manager shall conduct all procurement activity in accordance with the following guidelines:~~

~~———— (1) ——— Authority purchases shall be coordinated and reviewed by appropriate Authority staff to ensure compliance with pertinent federal, state and local procurement law as well as the Authority Bylaws, and to ensure that the Authority is provided with a continuing supply of quality goods and services.~~

~~———— (2) ——— All goods and services obtained from a third party by purchase, lease, or rental agreement requiring a single expenditure of more than \$50,000 shall be procured by competitive sealed bids, proposals or other applicable competitive procedure, except those specific goods and services explicitly characterized as exempt from competitive bidding;~~

~~———— (3) ——— Goods and services that do not meet the \$50,000 threshold need not be subject to competitive bidding, but will be procured in accordance with sound business practices, and in a manner that will promote and advance the mission and goals of the Authority;~~

~~———— (4) ——— Orders for goods and services may be placed only after the purchase order, agreement, or contract has been reviewed and approved by one of the following persons, subject to any limitations of such person's authority, as described in the General Manager's procurement~~

procedures:

- \_\_\_\_\_ (A) ~~General Manager~~
- \_\_\_\_\_ (B) ~~Deputy General Manager~~
- \_\_\_\_\_ (C) ~~Executive Director~~
- \_\_\_\_\_ (D) ~~Director~~

(~~ea~~) The Authority shall make a good faith effort to award contracts to minority-owned and women-owned businesses in the amount of 30 percent of the total amount of those contracts.

(~~db~~) Authority personnel engaged in procurement activity shall not only comply with the procurement policy and process established by the General Manager, but also to the fundamental ethical tenets that underscore the conduct of ~~Edwards Aquifer~~ Authority business.

These activities may include, but are not limited to, the following:

- (1) Vendor solicitation and specification development;
- (2) Source selection;
- (3) Procurement advertisement;
- (4) Bid/Proposal openings;
- (5) Response evaluation;
- (6) Contract award;
- (7) Contract negotiation;
- (8) Commitments to vendors/suppliers;
- (9) Payment and delivery;
- (10) Contract activity file maintenance; and
- (11) Inventory/Fixed asset control maintenance.

#### **10.04 Source Selection and Contractor and Supplier Relations**

Authority staff will promote equity and fairness when conducting procurement activity on behalf of the Authority, and shall not violate the Authority's Code of Ethics. The General Manager shall establish procurement procedures that will ensure:

- (a) Open and free competition among all contractors and suppliers;
- (b) Fair and equitable treatment of all vendors, suppliers, and contractors;
- (c) Fair conduct in all communications and correspondence with vendors;
- (d) The avoidance of any premature commitment or obligation by the Authority to any vendor, supplier, or contractor prior to the completion of a procurement process, particularly to those vendors who have may have had input in the development of a bid or proposal document.

### 10.05 Minority/Women Business Enterprise Policy

The Authority, as a matter of principles stated herein and in compliance with law, hereby adopts this minority/women business enterprise (M/WBE) contracting policy to affirm as a demonstration of its commitment to inclusionary and non-discrimination position practices in the awarding of contracts in and procurement areas activities. This policy applies to all minority/women business enterprise (M/WBE) firms self-identified as such and/or certified through an entity deemed acceptable to the Authority under its M/WBE program, such as the South Central Texas Regional Certification Agency (SCTRCA) or reciprocating agencies. The ~~Edwards Aquifer~~ Authority shall promote and foster inclusion in all business practices and shall provide equitable business opportunities to all bidders, proposers, contractors, subcontractors, consultants, and sub-consultants subcontractors, to include vendors in connection with contracting and procurement opportunities arising through the Authority and/or its prime contractors or vendors.

~~The Authority, as a matter of principle and law, hereby adopts this minority/women business enterprise (M/WBE) contracting policy to affirm its non-discrimination position in the contracting and procurement areas. The Authority, its bidders, proposers, contractors, subcontractors, consultants, and sub-consultants shall not discriminate on the basis of race, color, religion, national origin, sex, age, or handicap in the award or performance of Authority contracts, subcontracts, and procurements.~~

Through this policy the Authority seeks to be a model of inclusion by establishing the foundational tenets by which it endeavors to create a business environment that encourages and facilitates the full participation of all individuals, particularly those groups that encounter disparities, ~~such as including~~ minorities and women, in all phases of the Authority's contracting and procurement activities. The purpose and objectives of this policy are as follows:

- (a) To ensure nondiscrimination in the award and administration of Authority-related contracts and procurements to all bidders, proposers, and vendors and by Authority contractors, subcontractors, consultants, and sub-consultants.
- (b) To promote efforts, approaches, and initiatives that will foster more effective participation by minority and women-owned businesses and enhance their competitiveness and qualifications, thus affording a full and fair opportunity to compete on the Authority's contracting and procurement opportunities.

(c) To more effectively outreach and promote the Authority's business opportunities to minority and women-owned firms.

This policy statement shall be publicly promoted and widely distributed and shall be prospectively deemed applicable to the Authority and its bidders, proposers, contractors, subcontractors, consultants, and sub-consultants through a contractual clause incorporating this policy into respective bids, proposals, and contracts, unless specifically stated otherwise.

#### **10.06 Conflicts of Interest Policy Regarding Consultant Services**

It is the policy of the Board not to engage the services of any firm or individual consultant that may have a direct or indirect conflict of interest with the Authority.

At all times, any firm or individual consultant must abide by all applicable rules of professional conduct regarding conflicts of interest – including any notice requirements contained therein. Examples of such rules include, but are not limited to: the Texas Disciplinary Rules of Professional Conduct (for legal consultants); Chapter 305 of the Texas Government Code (for legislative consultants); Chapter 851, Title 22 of the Texas Administrative Code (for professional geoscientists); and Chapter 137, Title 22 of the Texas Administrative Code (for professional engineers). Failure to adhere to such rules may result in immediate termination of the Authority's association with any individual or firm providing consulting services to the Authority, including any work in progress at the time notice is given by the Authority.

## ~~ARTICLE XI COMMITTEES~~

### **Section**

~~11.01 Standing Committees~~

~~11.02 Ad Hoc Committees~~

~~11.03 Conduct of Committee Meetings~~

~~11.04 Notice of Committee Meetings~~

~~11.05 Video Conferencing~~

### **11.01 Standing Committees**

~~(a) The Chairman shall appoint members of the Board to serve on standing committees to consider and make recommendations to the Board concerning the business policies and activities of the Authority. The standing committees of the Board are the Aquifer Management Planning Committee, the Executive Committee, the Finance/Administrative Committee, the Permits Committee, and the Research & Technology Committee.~~

~~(b) In addition to other matters referred by the Chairman of the Board, the Committee responsibilities are as follows:~~

~~(1) The Aquifer Management Planning Committee shall consider and make recommendations on matters relating to the Critical Period Management Plan; the Comprehensive Management Plan; new supply sources; implementation of alternative management practices, procedures and methods; other strategies for achieving the mandates of the Act; water quality; and artificial recharge issues.~~

~~(2) The Executive Committee shall set the agenda for the Board as provided by article 6.05, and, when prudent, consider and make recommendations on issues within the jurisdiction of other committees that are unable to meet or establish a quorum in order to efficiently and expeditiously transact the business of the Authority. The Executive Committee shall consider and make recommendations to the Board on matters relating to legislation. However, expression of views that may be inconsistent with that of the EAA's official legislative position are not to be represented as being on behalf of the Board or the organization. As a courtesy and in the interest of transparency, a director shall notify the General Manager and/or the Legislative Consultant of any communication with members of the Texas Legislature or their staff regarding EAA business or concerns.~~

~~(3) The Finance/Administrative Committee will be chaired by the Treasurer of the Board and shall consider and make recommendations on matters relating to internal fiscal operations; audit; budget; all fees; management policies and oversight; internal organization and oversight; employee policies and benefits; public information; Bylaw review; General Counsel and other legal services; and meeting procedures.~~

~~(4) The Permits/Enforcement Committee shall consider and make~~



~~recommendations on matters relating to the issuance, compliance, grievance, enforcement, monitoring and reporting of permits and other matters relating to permitting and metering, or permit transfer/marketing rules.~~

~~(5) The Research & Technology Committee shall consider and make recommendations on matters relating to the collection and development of scientific data; technological assessment of alternative management practices, procedures and methods; and technical studies.~~

~~(c) Each standing committee must include directors from at least three different counties. Members serve until successor standing committee members have been appointed or until the director leaves office, whichever comes first.~~

#### **11.02 Ad Hoc Committees**

~~(a) The Chairman may from time to time appoint members of the Board to serve on ad hoc committees to consider and make recommendations to the Board concerning matters of interest to the Authority. These ad hoc committees will be impaneled as stipulated by the Chairman.~~

~~(b) An ad hoc committee's impaneling may be dissolved at the discretion of the Chairman with notice to the Board.~~

#### **11.03 Conduct of Committee Meetings**

##### ~~(a) Standing Committees~~

~~The Chairman may appoint a member of a standing committee to serve as Chairman of the committee. In the absence of such an appointment, the standing committee shall elect its own Chairman who shall serve for the remainder of the term or until a new committee chairman is appointed or elected.~~

##### ~~(b) Ad Hoc Committees~~

~~The Chairman may appoint a member of an ad hoc committee to serve as Chairman of the committee. In the absence of such an appointment, the ad hoc committee shall elect its own Chairman.~~

##### ~~(c) Committee Reports~~

~~The Chairman of any committee may appoint one of the members of the committee or a member of the staff to serve as committee secretary to prepare reports of the committee meetings. Committee reports will be submitted to the Board at Board meetings.~~

##### ~~(d) Committee Action~~

~~A committee may take one of the following actions relative to an item pending before the~~

~~committee:~~

- ~~———— (1) ———— Approve the item for recommending the Board approve;~~
- ~~———— (2) ———— Approve the item for forwarding to the Board with no recommendation;~~
- ~~———— (3) ———— Subject to recall by the Board, defeat a motion to recommend the Board approve; or~~
- ~~———— (4) ———— Table the item for future committee consideration.~~

~~———— (e) ———— Gathering of Less Than a Quorum of a Committee~~

~~———— In the event a scheduled committee meeting is unable to be convened because a quorum of the committee is not present, the members of the committee present may nonetheless gather to review and discuss the items listed on the agenda. However, this gathering is not a meeting of the committee. No votes or other action may be taken, nor may any recommendations be made to the Board on behalf of the committee.~~

~~———— (f) ———— Committee Parliamentary Procedures~~

~~———— Business may be considered in accordance with Robert’s Rules of Order or other standard rules of procedure as may be adopted by the Board for its committees. The Chairman of the Committee may also, to the extent permitted by applicable laws, suspend by a majority vote any such standard rules. Any issues of parliamentary procedure may be resolved by majority vote of the committee.~~

#### **~~11.04 Notice of Committee Meetings~~**

- ~~———— (a) ———— Committee meetings may be called at any time by the Chairman of the committee.~~
- ~~———— (b) ———— The Assistant to the Secretary will notify all members of a committee by mail, telephone 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 Chairman of the committee in consultation with the committee staff liaison assigned to the committee.~~

#### **~~11.05 Video Conferencing~~**

~~———— Director attendance at a committee meeting via video conferencing is allowed when all requirements contained in Section 551.127 of the Texas Government Code are met. In order for the required notice to be provided to the public, a director must inform staff of their intent to participate via videoconference no later than the Wednesday before the committee meeting and must provide staff with the location from which they wish to participate. Any location used by a~~

~~director to participate via videoconference must be open to the public.~~

## ARTICLE XII CODE OF ETHICS

### Section

- 12.01 Statement of Policy
- 12.02 Purpose
- 12.03 Definitions
- 12.04 Qualification of Directors
- 12.05 Campaign Fund Reporting of Directors
- 12.06 Conflict Of Interest
- 12.07 Nepotism
- 12.08 Acceptance of Gifts
- 12.09 Use of Authority Property
- 12.10 Contracts Supported by Federal Funds
- 12.11 Travel Expenditures Policy
- 12.12 Statement of Inclusion
- 12.13 Communication of Code of Ethics
- 12.1~~4~~<sup>3</sup> Alleged Violations of the Code of Ethics
- 12.1~~5~~<sup>4</sup> Miscellaneous

### 12.01 Statement of Policy

(a) It is the policy of the Edwards Aquifer Authority (“Authority”) that all directors conduct themselves in a manner consistent with sound business and ethical practices; that the public interest always be considered in conducting Authority business; that the appearance of impropriety be avoided to ensure and maintain public confidence and trust in the Authority; and that the Board ~~control and manages support policies the affairs of the Authority that are inclusive of people of all backgrounds~~ fairly, impartially, without discrimination, and in accordance with the stated purpose of the Authority.

(b) The essence of this policy is that each director, in their capacity as a representative of the Authority, ~~conduct his or hethem-self the Authority’s business in adherence with the organizational core values stated herein, with integrity,~~ in compliance with all applicable laws, and in a manner that excludes considerations of personal advantage. Strict adherence to this policy will foster transparency and build trust in the Authority while protecting the ~~Authority organization~~ from undue criticism, litigation or embarrassment that ~~might could~~ result from ~~alleged or real~~ conflicts of interest (real or perceived) or unethical practices. Each director must understand and fulfill their respective responsibilities as set forth in the Authority Enabling Act, the Authority Bylaws, and in policy statements as adopted periodically.

### 12.02 Purpose

The purpose of this Code of Ethics (“Code”) is:

- (a) to ensure ~~thea~~ highest level of public trust and confidence attainable;

(b) to ~~establish guidelines for~~define with clarity the -ethical standards of conduct ~~expected of~~ all Authority directors as public servants;

(c) to assure compliance with procurement standards contained in 40 C.F.R. § 31.36(b) when federal funding is used;

(d) to encourage the high~~est~~ ethical standards in official conduct by the officials of the Authority; and

(e) to establish guidelines for such ethical standards of conduct; ~~and~~

~~—— (f) —— to satisfy the requirement of Texas Water Code, paragraph 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.”~~

### 12.03 Core Values

(a) The core values of the Authority are aspirational statements of how the people that comprise the agency view themselves and their role within the mission and vision of the organization. These core values, identified by staff and board alike through a deliberative and shared process, speak to standards of self-imposed accountability and expectation in attitude and conduct, which are to be demonstrated in the Authority’s work. They are not descriptions of the work itself or the strategies employed to accomplish the overall mission, but they serve as foundational guideposts for how the Authority will go about accomplishing its work. These core values underlie the agency’s work, setting ideals of how its people will interact with each other, with customers and stakeholders and with the diverse communities that their work touches every day.

(b) These core values are identified as follows:

- **Collaboration** — We are interactive, diverse, and inclusive in everything we do.
- **Creativity** — We allow for and foster innovation in ideas and practices that lead to solutions in an ever-changing world.
- **Integrity** — We exhibit trust, honesty, transparency, and accountability at all times.
- **Professionalism** — We pursue excellence, respect others, and communicate effectively with those we serve, both internally and externally.
- **Science-based** — Science drives and motivates our mission.
- **Stewardship** — We manage, protect, and enhance the Edwards Aquifer system to ensure its long-term sustainability for the benefit of all users and uses of the resource.

### 12.043 Definitions

(a) Unless the context requires otherwise, the following terms and phrases used in this Code shall mean the following:

(1) The term “Officials” means the directors, officers, agents and business

entities engaged in handling the operations, management, and investments for the Authority.

(2) “Substantial Interest” is defined by reference to Section 171.002 of the Texas Local Government Code.

(3) “Misuse” is defined in Chapter 39 of the Texas Penal Code.

(4) “Gifts” means any benefit as defined in Chapter 36, § 36.01(3), of the Texas Penal Code and includes anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct and substantial interest.

(5) “Public Servant” means an “officer, employee, or agent of government” as set forth in Texas Penal Code § 1.07.

(6) “Business relationship” is defined by reference to Section 176.001(1-a) of the Texas Local Government Code.

(7) “Contract”, for purposes of Section 12.06, is defined by reference to Section 176.001(1-d) of the Texas Local Government Code.

(8) “Family member” is defined by reference to Section 176.001(2) of the Texas Local Government Code.

(9) “Family relationship” is defined by reference to Section 176.001(2-a) of the Texas Local Government Code.

(10) “Gift” is defined by reference to Section 176.001(2-b) of the Texas Local Government Code.

(11) “Goods” is defined by reference to Section 176.001(2-c) of the Texas Local Government Code.

(12) “Investment income” is defined by reference to Section 176.001(2-d) of the Texas Local Government Code.

(13) “Services” is defined by reference to Section 176.001(6) of the Texas Local Government Code.

(14) “Vendor” is defined by reference to Section 176.001(7) of the Texas Local Government Code.

## **12.054 Qualification of Directors**

(a) Each director or agent shall comply with all state statutes, applicable to them as elected officials.

(b) Each director shall conduct ~~himself/hers~~themselves in accordance with ~~his/her~~their duties as stated in the Edwards Aquifer Authority Act (“Act”) and their Oath of Office.

(c) A person shall not serve as a director if ~~he or she is~~they are not qualified to do so under the provisions of the Act or subsequent legal conversions.

(d) Within 60 days after the Board determines that any director is not qualified to serve on the Board, the Board will, in accordance with the Authority Bylaws, initiate action to replace such director with a person who is qualified.

(e) Any director not qualified to serve on the Board, who willfully occupies an office and exercises the duties and powers of that office, may be subject to penalties under the Texas Water Code, including possible conviction of a misdemeanor and imposition of a fine.

## **12.065 Campaign Fund Reporting of Directors**

Elected directors are required to file semi-annual Campaign/Officeholder Campaign Finance Report, Form C/OH, from the Texas Ethics Commission with the Secretary or Assistant to the Secretary of the Authority as required by the Texas Election Code. Such reports are to be filed by January 15 and July 15 of each year on forms prescribed by the Texas Ethics Commission as set forth in the Texas Administrative Code §§ 6.1 - 20.7 et seq.

## **12.076 Conflict Of Interest**

(a) ~~Section 36.058 of the Texas Water Code provides that d~~Directors of the Authority are subject to the provisions of Chapters 171 and 176 of the Texas Local Government Code relating to the regulation of conflicts of interest of officers of local governments.

(b) Under Chapter 171, directors of the Authority are required to abstain from further participation in a vote or decision on any matter before the Board involving a business entity or real property in which the director has a substantial interest, if, in the case of a business entity, the action on the matter will have a special economic effect on the business that is distinguishable from its effect on the public, or, in the case of real property, it is reasonably foreseeable that the action on the matter will have a special economic effect on the value of the real property distinguishable from the its effect on the public.. Moreover, directors of the Authority are prohibited from acting as a surety for a business entity that has work, business, or a contract with the Authority, or acting as surety on any official bond required of an officer of the Authority.

(1) As soon as practicable after a director becomes aware that the Board will be considering a vote or decision on a matter giving rise to a conflict of interest involving the director, the director shall disclose such conflict of interest to the General Manager and the ~~Chairman~~Chair of the Board. Before a vote or decision is taken on the matter giving rise to the conflict of interest, the director shall file with the Board secretary an affidavit stating the nature and extent of the interest in the business entity or real property in which the director has a substantial interest that will be the subject of a Board vote or decision. Thereafter, that director must abstain from participation in the matter as provided by law.

(2) An Authority director may not disclose, without written legal authorization, confidential information to advance the financial or other private interests of the director or others regarding any contract or transaction that is or may be the subject of an official action of the Authority.

(3) The Authority may not contract for the purchase of services or personal property directly with an Authority official or with a business entity in which a director has substantial interest except as permitted by law.

(4) The Board shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a director has a substantial interest. The director having the substantial interest may not participate in that separate vote, but may vote on a final budget if the separate budget item voted on does not exceed 10% of the total budget. Except as provided by Section 171.004(c), Texas Local Government Code, the affected director may not participate in that separate vote. However, the director may vote on a final budget if the director has complied with Chapter 171, Texas Local Government Code, and the matter in which the director is concerned has been resolved by the Board.

(c) Under Chapter 176, directors of the Authority are required to file a conflicts disclosure statement with respect to a vendor of the Authority if the vendor enters into a contract with the Authority or the Authority is considering entering into a contract with the vendor, and the vendor has an employment or other business relationship with the director or a family member of the director that results in the director or family member receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period preceding the date that the director becomes aware that a contract between the Authority and vendor has been executed, or the Authority is considering entering into a contract with the vendor, or the vendor has given to the director or a family member of the director one or more gifts that have an aggregate value of more than \$100 in the 12-month period preceding the date the director becomes aware that a contract between the Authority and vendor has been executed, or the Authority is considering entering into a contract with the vendor, or the vendor has a family relationship with the director.

(1) A director is not required to file a conflicts disclosure statement in relation to a gift accepted by the director or a family member of the director if the gift is a political contribution as defined by Title 15, Election Code, or food accepted as a guest.

(2) A director shall file the conflicts disclosure statement with the Board secretary of the Authority not later than 5 p.m. on the seventh business day after the date on which the director becomes aware of the facts that require the filing of the conflicts disclosure statement.

(3) The conflicts disclosure statement filed by a director must be on the form adopted by the Texas Ethics Commission.

## **12.087 Nepotism**

In accordance with Chapter 573, Texas Government Code, the Board may not confirm the



appointment to any position, nor award a contract, to a person related to a member of the Board within the second degree by affinity (marriage) or within the third degree by consanguinity (ancestry) when the salary or other compensation of such appointee is paid, directly or indirectly, from Authority funds.

### **12.098 Acceptance of Gifts**

(a) An Authority director may not accept gifts, benefits, entertainment, or services from individuals or companies doing or seeking to do business with the Authority, unless the transaction meets the requirements of Chapter 36, Texas Penal Code.

(b) An Authority director may not provide gifts, entertainment, or services to others on behalf of the Authority that could not be accepted under this policy.

(c) With respect to honoraria, a director may not solicit, agree to accept, or accept an honorarium in consideration for services the director would not have been asked to provide but for ~~his or her~~their official position. A director may, however, accept food, transportation and lodging in connection with such services.

### **12.109 Use of Authority Property**

No director or officer of the Authority shall permit any personal or unauthorized use of Authority-owned or Authority-controlled equipment, materials, supplies or property.

### **12.110 Contracts Supported by Federal Funds**

A director engaged in the award and administration of contracts may not participate in the selection or the award, or the administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when 1) the director; 2) any member of ~~his or her~~their immediate family; 3) ~~his or her~~their business partner; or 4) an organization which employs, or is about to employ, any of the foregoing, has a financial or other interest in the firm selected for the award.

### **12.12 Statement of Inclusion**

The Authority Board of Directors shall, once a year, adopt a statement defining, affirming, and expressing its corporate commitment to inclusion in all its conduct and practices.

### **12.123 Communication of Code of Ethics**

(a) All current directors and new directors shall be provided a copy of the Authority's Code of Ethics and must sign a Statement of Affirmation, which copy shall be filed with the Secretary and kept on file at the general offices of the Authority. Each person identified in this section shall affirm this statement in January of each year.

(b) The Code of Ethics shall be included in either the bid packet or request for proposal (whichever is applicable) to Authority vendors, contractors, financial institutions, and professional consultants.

### **12.1~~43~~ Alleged Violations of the Code of Ethics**

(a) Any apparent violation by a director should be reported to the ~~Chairman~~Chair of the Board or the Vice ~~Chairman~~Chair if the allegation is against the ~~Chairman~~Chair.

(b) The ~~Chairman~~Chair (or Vice ~~Chairman~~Chair) shall conduct a hearing as specified in Section 12.13(d) of these Bylaws.

(c) The Board may censure a director for violation of the Code of Ethics and violation is subject to penalties under the Texas Penal Code after the hearing process is complete.

#### **(d) Informal Hearing**

(1) An informal hearing may be held to determine whether a violation has indeed occurred and if so, the severity of the violation.

(2) The director charged with the violation shall be heard in such proceeding.

(3) The informal hearing shall be held in closed session, subject to the right of the director charged with the violation to request that the hearing be conducted in public.

(4) There shall be no representation for the director at an informal hearing. Either the director in question or the Board may stop the informal hearing at any time and proceed to the formal hearing.

#### **(e) Formal Hearing**

(1) Should it become necessary, a formal hearing will be held.

(2) The formal hearing shall be done in closed session, subject to the right of the director charged with the violation to request that the hearing be conducted in public.

(3) The director may have representation of ~~his or her~~their choosing at this hearing.

#### **(f) Charges Filed**

At any time, any director may file charges with the District Attorney if the director believes that the law has been broken.

### **12.1~~54~~ Miscellaneous**

This Code of Ethics shall be reviewed by the ~~Finance/Administrative Committee~~Board of Directors of the ~~Board~~ each odd-numbered year.

## ARTICLE XIII REIMBURSEMENT OF DIRECTORS

### Section

- 13.01 Transportation
- 13.02 Meals
- 13.03 Lodging
- 13.04 Other Expenses; Memberships; Authority Publications; Reimbursement for Personal Expenses Prohibited
- 13.05 Report to Board
- 13.06 Board Discretion
- 13.07 Conferences

### 13.01 Purpose

As provided by the Act:

“A director receives no compensation for service on the Board but is entitled to reimbursement for actual and necessary expenses incurred in the performance of the director’s duties.”

Reimbursement of South Central Texas Water Advisory Committee (SCTWAC) member expenses is subject to the same requirements as the reimbursement of directors.

The purpose of this policy is to establish procedures and guidelines for the reimbursement of expenses for directors of the Authority and members of the SCTWAC. This policy applies to those ordinary and necessary expenses that any “reasonable person” would incur in conducting Authority-related business. 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 or committee members who have been duly appointed to the committee are entitled to reimbursement of expenses by the Authority.

To receive reimbursements, directors must complete a Director Reimbursement Voucher (“Voucher”), along with appropriate receipts. Directors are encouraged to submit completed vouchers to the Assistant to the Secretary by the 15<sup>th</sup> day of the following month. Reimbursement requests at year-end (December 31) should be submitted no later than January 15<sup>th</sup> of the succeeding year.

### ~~13.0102~~ Eligibility~~Transportation~~

- (a) Authority Meetings

~~(1)~~—Each director shall be eligible to be reimbursed for expenses associated with ~~round trip mileage for~~ attendance at meetings of the Board or standing or ad hoc committees established in accordance with the Bylaws within the 18-county area of the Authority that require a director’s or a SCTWAC member’s participation in ~~his/her~~their official capacity.

~~(2) Mileage will be paid on the distance from the point of departure to the meeting place, not to exceed the distance from a Director's residence to the meeting place. Directors shall be reimbursed for Authority use of a personal vehicle at the maximum rate allowed by the United States Internal Revenue Service.~~

(b) Other Meetings, ~~Conferences, and Travel Expenditures.~~

~~(4) Each director shall be eligible to be reimbursed for expenses associated with round trip mileage for attendance at meetings or hearings of governmental bodies or agencies where matters directly affecting the Authority are under consideration.~~

~~(c) 13.07~~ Conferences

The following provisions apply to the reimbursement of directors for attending conferences, seminars or similar events, collectively referred to as "conferences":

(a) Directors may only receive reimbursement for attending conferences wherein the subject matter is directly related to the business of the Authority and their presence is likely to further the public interest.

(b) A director desiring to attend a conference outside of the State of Texas must obtain the prior approval of the Executive Committee before being eligible for reimbursement for expenses relating thereto.

(c) Directors may not be reimbursed more than \$1,500 annually for total expenses (registration, lodging, travel, meals) associated with attendance at conferences in a given year. Any director desiring to attend more than two (2) conferences and desiring to be reimbursed for expenses relating to such additional conference attendance that will cause the director's total annual reimbursement to exceed \$1,500, must obtain the prior approval of the Executive Committee before being eligible for reimbursement. The Executive Committee may give or withhold any approval at its discretion.

(d) If a director cancels his or her~~their~~ attendance at a conference, any non-refundable cancellation charges that are incurred as a result of the cancellation shall be borne by the director, and the director shall not be reimbursed for those cancellation charges. If the Authority is the party that has directly incurred the cancellation charges, or if the director had already been reimbursed by the Authority for the expense to which the cancellation charges relate, the director shall reimburse the Authority for those cancellation charges.

### 13.03 Transportation

(a) For meetings and conferences described in Section 13.02, mileage will be paid on the distance from the point of departure to the meeting place, not to exceed the distance from a

Director's residence to the meeting place. Directors shall be reimbursed mileage at the maximum rate allowed by the United States Internal Revenue Service.

#### Authority Meetings

~~(1) Each director shall be reimbursed for round trip mileage for attendance at meetings of the Board or standing or ad hoc committees established in accordance with the Bylaws within the 18 county area of the Authority that require a director's or a SCTWAC member's participation in his/her official capacity.~~

~~(2) Mileage will be paid on the distance from the point of departure to the meeting place, not to exceed the distance from a Director's residence to the meeting place. Directors shall be reimbursed for Authority use of a personal vehicle at the maximum rate allowed by the United States Internal Revenue Service.~~

——(4b) 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. Mileage reimbursements for long trips may not exceed the amount charged for commercial transportation if those rates are more economical.

### **13.0204 Meals**

The actual cost of meals associated with travel for Authority business is reimbursable~~is included as part of meeting expenses~~. Directors will be reimbursed for meals directly associated with meetings or conferences. Directors will not be reimbursed for expenses for his/her/their spouse, family or personal guest meals. Directors should submit receipts detailing the meal expenses incurred. Charges for alcoholic beverages are not reimbursable.

### **13.0305 Lodging**

Lodging expenses associated with travel for Authority business are reimbursable. Reservations may be made by the Authority. Normally, directors should pay for their lodging and submit receipts for reimbursement. ~~Authority assistance can be available at a director's request.~~ Each director will be responsible for costs for spouses, family members or personal guests. Other personal expenses will not be reimbursed by the Authority.

### **13.0406 Other Expenses; Memberships; Authority Publications; Reimbursement for Personal Expenses Prohibited**

(a) Other expenses incurred in the course of conducting Authority business are reimbursable. Charges for such things as telephone, fax, and photocopier must be submitted with 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 Authority and its policies and objectives. Examples of such activities could include memberships in non-profit associations and organizations directly associated with the Authority's mission. ~~Requests for approval to the~~

~~Executive Committee for such reimbursements should include sufficient information to demonstrate the public purpose that will be advanced by the expenditure.~~

(c) Directors may request Authority publications and promotional items to distribute to constituents or other parties. Publications and promotional items distributed in such a manner will be considered purchases the value of which will apply to the director's \$250 annual reimbursable amount for other expenses.

(d) Personal expenses are not reimbursable.

### **13.0507 Report to Board**

The Assistant to the Treasurer shall keep an accurate record of all director expenses, and shall submit a report and summary of such information to the Board on a regular basis, not less than quarterly~~annually~~.

### **13.0608 Board Discretion**

The Board may at its discretion approve exceptions from this policy on a case by case basis.

(a) The Authority will not reimburse directors for unreasonable or unnecessary expenses, or in excess of a reasonable amount.

(b) A director may at any time bring to the attention of the Board any issue needing attention relating to expense reimbursements in general or with respect to a particular request for reimbursement.

(c) A majority of the Board may deem any director's expense inappropriate. In such a case, the director is responsible for the expense and should reconcile payments with the Authority.

### **~~13.07 Conferences~~**

~~The following provisions apply to the reimbursement of directors for attending conferences:~~

~~(a) Directors may only receive reimbursement for attending conferences wherein the subject matter is directly related to the business of the Authority and their presence is likely to further the public interest.~~

~~(b) A director desiring to attend a conference outside of the State of Texas must obtain the prior approval of the Executive Committee before being eligible for reimbursement for expenses relating thereto.~~

~~(c) Any director desiring to attend more than two (2) conferences and desiring to be reimbursed for expenses relating to such additional conference must obtain the prior approval of the Executive Committee before being eligible for reimbursement. The Executive Committee may~~

~~give or withhold any approval at its discretion.~~

~~———— (d) ——— If a director cancels his or her attendance at a conference, any non-refundable cancellation charges that are incurred as a result of the cancellation shall be borne by the director, and the director shall not be reimbursed for those cancellation charges. If the Authority is the party that has directly incurred the cancellation charges, or if the director had already been reimbursed by the Authority for the expense to which the cancellation charges relate, the director shall reimburse the Authority for those cancellation charges.~~



## **ARTICLE XV        EDWARDS AQUIFER RECHARGE ZONE AND CONTRIBUTING ZONE LAND ACQUISITION**

### **Section**

- 15.01 Introduction
- 15.02 Objectives
- 15.03 Prioritizing Properties for Acquisition
- 15.04 Guidelines for Land Acquisition

### **15.01 Introduction**

The Edwards Aquifer Recharge Zone and Contributing Zone (EARZ/CZ) Land Acquisition Policy is intended to provide guidance to the Authority when considering acquiring tracts of land in these areas. For the purposes of this policy, land acquisition is intended to include fee-simple purchase, conservation easements and land leasing.

Section 1.08(a) of the Edwards Aquifer Authority Act authorizes the Authority “...to manage, conserve, preserve and protect the aquifer and to increase the recharge of, and prevent the waste or pollution of water in the aquifer.” Section 1.11(d)(7) states that the Authority may “own real and personal property;” and section 1.28(b) allows the Authority to “...issue revenue bonds to finance the purchase of land.” Sections 1.11(g) states that the Authority has the right of eminent domain. In addition, Sections 1.01, 1.11(d)(9), 1.14(a)(6) & (7), and (h), and 1.26A of the Act mandates the protection of threatened or endangered species and their habitats. These sections of the Act provide the basis for the Authority to acquire land as may be necessary and appropriate to perform the statutory missions of the Authority..

EARZ/CZ land acquisition by the Authority will be performed at the direction of the Board. An EARZ/CZ land acquisition line item may be placed in the Authority’s annual budget and may be considered for funding during each budget cycle. If funded, Authority staff will provide the Board with potential acquisition opportunities that fall within the budgeted amount and meet the Authority’s acquisition criteria.

### **15.02 Objectives**

The objectives of the policy are to:

- (a) Preserve and conserve land over the recharge zone and contributing zone of the Edwards Aquifer;
- (b) Protect recharge water quality;
- (c) Maintain or increase recharge water quantity; and
- (d) Protect threatened or endangered species and their habitat. This objective will be

limited to threatened and endangered species habitat protection that is integrally linked to a water resource management strategy of the Authority.

Properties being considered for acquisition must meet at least three of these objectives.

### **15.03 Prioritizing Properties for Acquisition**

The Board may direct Authority staff to develop specific quantitative criteria to prioritize properties for acquisition. Otherwise, qualitative ratings, based on professional judgment, will be provided by staff. Criteria for designating properties as a higher priority for acquisition may include the following:

- (a) Properties on the recharge zone;
- (b) Properties containing sensitive features that could allow enhanced or direct recharge to the aquifer;
- (c) Properties that are likely to be developed in the near future;
- (d) Properties with threatened or endangered species habitat; and
- (e) Properties with favorable funding opportunities.

### **15.04 Guidelines for Land Acquisition**

The Authority will not enter into any purchase obligations without prior Board approval. Staff will utilize the guidelines discussed in Sections (a) through (d) below while pursuing an acquisition opportunity.

- (a) Locating Acquisition Opportunities.

Authority staff will work with other natural resource protection agencies to assess what areas are most represented by the priorities listed in Section III. Staff may also work with the real-estate acquisition agents of other natural resource protection agencies and with private real-estate services to identify specific parcels of land that may be available for purchase. The Authority may use its power of eminent domain as a last resort.

- (b) Acquisition Proposals.

Proposals for land acquisition will be initially reviewed with the Board prior to expending a significant amount of staff time investigating details of the opportunity. If favorably received by the Board, it may instruct the General Manager to further evaluate the opportunity. If the Board approves the General Manager's evaluation, the Board may instruct the General Manager to proceed with initiating a real estate transaction.

- (c) Acquisition Priority Ratings.

Properties being considered for acquisition will be rated pursuant to the following criteria:

(1) Property Location Relative to the Recharge Zone and Contributing Zone. Properties being considered for acquisition will be located on either the recharge zone or contributing zone (RZ or CZ). In general, properties located on the RZ will receive a higher priority rating than properties on the CZ. Acquiring property over the RZ is of higher benefit because those properties have the potential for allowing direct inflow into the aquifer. Properties located over the CZ may also be considered to protect the quality and quantity of potential recharge water from sites upstream of the RZ.

(2) Sensitive Features and Surface Streams. Properties containing sensitive features, such as sinkholes, sinking or losing streams, caves, faults, fractures, and vugular porosity, will receive a higher priority rating than properties without sensitive features. Properties with significant surface drainages over the RZ will also receive higher priority ratings.

(3) Areas pending development. Properties that are located in areas that are pending development will receive a higher priority rating. A consideration of development potential must be balanced with the higher cost of properties located in close proximity to population centers. Recharge sites that significantly contribute water to the artesian zone or to public drinking wells will receive a higher priority rating.

(4) Habitat Conservation. Properties containing habitat for threatened or endangered species, or which significantly contribute water to or otherwise protects endangered species will receive a higher priority rating. In general, properties will be evaluated for threatened or endangered species habitat based on published information. Site specific habitat studies are not anticipated.

(5) Funding opportunities. Funding opportunities that provide the highest degree of RZ or CZ protection for the lowest monetary contribution from the Authority will be given a higher priority rating.

(d) Property Management.

The Authority prefers a cooperative partner manage any acquired properties. If a cooperative funding partner is not an entity that possesses land management capabilities, the Authority may enter into a cooperative agreement with an entity that will manage the property.

## **ARTICLE XVI      DISPOSAL OF PERSONAL PROPERTY**

### **Section**

- 16.01 Applicability
- 16.02 Disposal Procedures
- 16.03 Board Action

### **16.01 Applicability**

This bylaw applies to the disposal of personal property by the Authority. The General Manager shall retain responsibility for assuring complete compliance with all applicable disposal policies and procedures.

### **16.02 Disposal Procedures**

(a) In compliance with § 49.226, Texas Water Code, the Authority shall dispose of personal property in accordance with the following procedures.

(1) The General Manager shall estimate the approximate value of each item of personal property that is no longer needed by the Authority.

(2) If the value of any given item of personal property is estimated by the General Manager to be greater than \$300, Authority funds were used to obtain the property, and the Board finds that the personal property is surplus and no longer needed by the Authority, then the personal property shall be disposed of using either of the following methods:

(A) A public or private sale ordered by the Board:

(i) Written notice of a public sale stating the place, day and hour of the sale shall be posted 14 days before the scheduled time of the sale on a bulletin board convenient to the public in the business office of the Authority at 900 East Quincy Street~~1615 North St. Mary's Street~~, San Antonio, Texas 78215. The Authority may, if it so desires, provide additional public notice, such as via publication in area newspapers, announcement on the Authority website, etc., as it sees fit.

(ii) Written notice of a private sale stating the place, day and hour of the sale shall be distributed 14 days before the scheduled time of the sale to those individuals or organizations selected by the Authority.

(iii) Notices of public or private sale shall include a list of each item of personal property for sale.

(iv) All sales will be conducted using a sealed bid format. Authority staff will award the purchase to those individuals whose bids are the most advantageous

to the Authority.

(v) All reasonable offers shall be accepted.

(vi) If there is no willing buyer at a public or private sale, then the Authority may, at its discretion, attempt another public or private sale, or the personal property may be abandoned, released, exchanged or transferred to another district, municipality, county, countywide agency or authority, consistent with subsection (3) below.

(B) Exchange the personal property for other personal property needed by the Authority of an equivalent fair market value, which value may be determined by Authority staff.

(3) If the value for any given item of personal property is equal to or less than \$300 and Authority funds were used to obtain the property, then the personal property may be abandoned, released, exchanged or transferred to another district, municipality, county, countywide agency or authority upon terms deemed necessary or advantageous to the Authority.

(4) If any given item of personal property was originally donated to or otherwise acquired by the Authority without expending any Authority funds, then the personal property shall be abandoned or returned to the original grantor or the grantor's heirs without receiving compensation.

(b) Any personal property that is abandoned, donated, given to, exchanged, or released to a private individual, association or corporation must be picked up and transported off Authority premises by the private individual, association or corporation within thirty (30) days of the transaction.

### **16.03 Board Action**

All decisions regarding the disposal of personal property required by these bylaws to be made by the Board shall be approved by motion and order during a Board meeting.