

RIVERBEND WATER RESOURCES DISTRICT

BYLAWS

Revisions adopted September 7, 2010

ARTICLE ONE GENERAL PROVISION

- 1.01 The purpose of these Bylaws is to provide for the conduct of the affairs of RIVERBEND WATER RESOURCES DISTRICT (hereinafter called the "DISTRICT"), enacted by the Legislature of the State of Texas: Section 1. Title 6, Special District Local Laws Code, Subtitle L, Chapter 9601 and general laws of the State of Texas applicable to the District.
- 1.02 This District, commended by Founding leaders to unite the members to actively govern as one, our precious resources for the future benefit of our citizens, shall be governed as herein stated.

ARTICLE TWO DEFINITIONS

- 2.01 **Bond:** Has the meaning assigned to the term "public security" by Section 1202.001, Government Code.
- 2.02 **Board:** The Board of Directors of the District.
- 2.03 **Director:** An individual appointed by the governing body of a Member to represent that Member on the Board of the District.
- 2.04 **District:** The Riverbend Water Resources District.
- 2.05 **Member:** A municipality, county, or other political subdivision that is a member of the District as provided by Section 9601.005 Special District Local Laws Code.
- 2.06 **Membership Contract:** A contract of membership into the District between the Member and the District on terms determined by the Board to be in the best interests of the District.
- 2.07 **Participating Member:** A Member that executes a Participation Contract.

- 2.08 **Participation Contract:** A contract between a Member and the District specifying the terms and conditions under which a Member will participate financially in any project, including a water supply source or in the construction, equipping and operation of, and/or be the purchaser of, capacity or supply in a water supply or wastewater project to be developed by the District.

ARTICLE THREE OFFICE

- 3.01 The principal office of the District shall be at such place as shall be determined by the Directors from time to time.
- 3.02 The District may maintain other offices at such places as may be authorized by the Board of Directors.

ARTICLE FOUR TERRITORY

- 4.01 **DISTRICT TERRITORY.**
- (a) the territory of the District is composed of all the territory contained in:
 - (1) the cities of Annona, Avery, DeKalb, Hooks, Maud, New Boston, Texarkana, and Wake Village; and
 - (2) the Red River Redevelopment Authority, the boundaries of which are described by Section 3503.004, including territory that must be added under Section 3503.005.
 - (b) the territory of the District also includes all of the territory:
 - (1) of any municipality, county, or other political subdivision that joins the District as a member; and
 - (2) added to the territory of a member by annexation or other means.
 - (c) a defect in the description of the boundaries of a member or in any past or future proceedings for the annexation of territory by a member does not affect the validity, powers, or duties of the district.

ARTICLE FIVE POWERS AND DUTIES

- 5.01 The District may exercise any power necessary or appropriate as prescribed by statute.

GENERAL POWERS. Except as provided by this chapter, the District may exercise the powers applicable to a District under Chapter 49, Water Code.

SPECIFIC POWERS. The District may exercise any power necessary or appropriate to achieve the purposes of this chapter, including the power to:

- (1) adopt and enforce:
 - (A) a trade name or trademark;
 - (B) bylaws and rules for the conduct of the affairs of the District;
 - (C) any rule that a water control and improvement district may adopt and enforce in accordance with Sections 51.127-51.130, Water Code; and
 - (D) specific rates, charges, fees, or rentals, and reasonable rules and regulations, for providing any district commodity, facility, or service;
- (2) in the manner and to the extent permitted by this chapter:
 - (A) borrow money for a District purpose;
 - (B) enter into an agreement in connection with the borrowing;
 - (C) issue bonds for money borrowed;
 - (D) provide for and secure the payment of the bonds; and
 - (E) provide for the rights of the holders of the bonds;
- (3) acquire any and all storage rights and storage capacity in a reservoir or other water source inside or outside the boundaries of the District, and acquire the right to take water from that reservoir or source, subject to the rights or permits held by municipalities or other persons, and in accordance with any contract or contracts that the District may make with the United States, any state of the United States, or with any political subdivision of any state of the United States, in reference to those rights;
- (4) construct, acquire, own, finance, operate, maintain, sell, lease as lessor or lessee, dispose of, or otherwise use any work, plant, or other district facility as defined by Section 49.001, Water Code, inside or outside the boundaries of the District, that the board determines is necessary or useful for the exercise of a District power, and
- (5) pledge all or part of District revenue to the payment of District obligations under a contract or agreement to the same extent and on the same conditions as the District may pledge revenue to secure District bonds.

GENERAL POWERS REGARDING WATER. The District has all rights, powers, and privileges necessary or useful to enable it to acquire, provide, supply, deliver, and sell water, whether processed or unprocessed, raw or potable, inside or outside its boundaries to any person for any beneficial purpose.

AUTHORITY OF PUBLIC AGENCIES AND POLITICAL SUBDIVISIONS TO CONTRACT WITH DISTRICT.

(a) A public agency or a county, municipality, or other political subdivision of this state or another state may enter into a contract or agreement with the District, on terms agreed to by the parties, for:

- (1) the purchase or sale of water;
- (2) waste collection, transportation, processing, or disposal; or
- (3) any purpose relating to the District's powers or functions.

(b) A contract or agreement under this section must comply with Chapter 791, Government Code.

(c) A provision of District services or facilities to a member or an exercise of District power regarding a member's retail services may only be made through a contract between the District and the member under this section.

CONVEYANCE OF PROPERTY TO DISTRICT. A public agency or a county, municipality, or other political subdivision of this state may lease, sell, or otherwise convey to the District, for any consideration that the parties agree is adequate, any of its land, improvements, property, plants, lines, or other facilities related to:

- (1) the supply, deliver, or sale of water;
- (2) waste collection, transportation, processing, or disposal; or
- (3) garbage collection or disposal.

ACQUISITION OF EXISTING FACILITIES. If the District acquires existing works, improvements, facilities, plants, equipment, or appliances that are completed, partially created, or under construction, the district may:

- (1) assume the contracts and obligations of the previous owner; and
- (2) perform the obligations of the previous owner in the same manner and to the same extent that any other purchaser or assignee would be bound.

5.02 Except as may be limited or regulated by the terms of a Membership Contract or a Participation Contract, the District shall have all powers and authorities granted to a conservation and reclamation district created under Chapter 49, Texas Water Code.

5.03 The Agency shall be authorized to provide other municipal services on a regional basis to its members as may be duly determined by the Board of Directors acting pursuant to a participation contract as provided herein.

ARTICLE SIX DIRECTORS/MEMBERS

- 6.01 The District will be governed by a Board of Directors ("Board") pursuant to 9601.051 Special District Local Laws Code. Said Board shall be responsible for the management, operation, and control of the projects of the District and any property belonging to the District.
- 6.02 Each Member shall be entitled to appoint one (1) Director to the Board which appointee may be a member of the Member's governing body. The governing body of a Member may appoint any individual within the Member's jurisdiction that is a qualified voter and resident of the District. Such appointment shall be made by the governing body of each Member.
- 6.03 The initial term and place of each Director is as follows July 23, 2009:
- Place 1 (New Boston appointee) - 4 years
- Place 2 (Hooks appointee) - 4 years
- Place 3 (DeKalb appointee) - 4 years
- Place 4 (Wake Village appointee) - 4 years
- Place 5 (Maud appointee) - 4 years
- Place 6 (Red River Redevelopment appointee) - 4 years
- Place 7 (Annona appointee) - 4 years
- Place 8 (Avery appointee) - 4 years
- Place 9 (Texarkana appointee) - 4 years
- 6.04 Following the initial term of each Director, the Directors shall draw lots to determine which four (4) Members of the District will have their Directors serve two-year terms. Thereafter, the Directors will serve staggered four-year terms on the Board.
- 6.05 A Director who is also an elected official of a political subdivision serves for a term coinciding with the term of the elected office.
- 6.06 A Director shall serve until the Director's successor is appointed by the governing body of the Member appointing said Director. A Director may serve consecutive terms. If there is a vacancy on the Board, the governing body of the Member that appointed the Director who vacated the place shall appoint a new Director to serve the remainder of the term.

- 6.07 Members may withdraw from the District in the manner authorized by the Board of Directors, subject to the continuing obligations of any withdrawing Member that may be contained in a Membership Contract or a Participation Contract.
- 6.08 BOARD RESOLUTIONS; VOTING REQUIREMENTS.
- (a) The District shall act through orders or resolutions adopted by the Board.
 - (b) All directors are entitled to vote.
- 6.09 Adding members. The Board of Directors may add additional members to the District on terms determined by the Board to be in the best interest of the District. A governing body of a municipality, county or other political subdivision seeking to become a member of the District shall submit a written petition to the District's Board of Directors.
- 6.10 Notwithstanding the provisions of 6.09, to become a new member of the District shall require a two-thirds (2/3) majority vote of the entire Board.

ARTICLE SEVEN MEETINGS OF DIRECTORS

- 7.01 Required Meetings. The Board shall have regular meetings at times specified by Board resolution or bylaws and shall have special meetings when called by the Board President or by a number of Directors that is equal to or greater than the number of Directors that is one less than a majority of the Board.
- 7.02 Meetings of the Board shall be at such place within or without the State of Texas as shall be determined by the Board from time to time
- 7.03 If the President is present at the Meeting, the President will preside over and conduct any called meeting. In the absence of the President at a meeting, the Vice-President will preside over and conduct the meeting.
- 7.04 Each Member's Director may vote on all issues before the Board except for those issues governed by a Participation Contract(s) for specific project(s) that have been signed and approved by Participating Members. For matters governed by a Participation Contract(s), only those Participating Members may vote. The Directors' votes shall be weighted as follows:
- (a) Tier I Actions and Voting: When the Board votes on authorization of capital projects or any other financial commitments, each Director of a Participating Member that has signed a Participation Contract will have one vote as a Participating Member. Additionally, if a Director is one of the Participating Members, and the project involves a supply of water that Director shall have one (1) extra vote for each one million gallons per month (1 MGM) of service or

capacity, or portion of that amount of service or capacity, for which the Participating Member has contracted with the District. For any projects not directly involving the supply of water, if a Director is one of the Participating Members, that Director shall have one (1) extra vote for each percentage point of financial commitment for which the Participating Member has committed to in the relevant Participation Contract. No one Director may obtain through these provisions a number of votes that would exceed 49% of votes that could be cast on the matter being considered. A simple majority vote from Directors present and eligible to vote is necessary for approval of Tier I actions.

- (b) Tier II Actions and Voting: When the Board votes on matters not concerning capital projects or financial commitments each Director will have one vote as a member of the Board. A simple majority of the Directors present is required to approve Tier II actions.

- 7.05 If a quorum shall not be present at any meeting of Directors, the meeting may be adjourned from time to time without notice other than announcement at such meeting until a quorum is present.
- 7.06 Meetings of the Board may be called by the President on 72 hours notice to each Director. Such notice may be given by mail, or by e-mail, or by text. A meeting shall be called by the President in like manner on like notices on the written request of three Directors.
- 7.07 Any notice required to be given to Directors by these bylaws is deemed given at the time any notice is mailed or delivered. Each Director shall be provided a certified written (or electronic) notice of meetings along with a copy of the agenda and advance materials for use at the meeting.
- 7.08 Notice of all Board Meetings shall be in accordance with Section 551 of the Government Code.
- 7.09 A quorum for the purpose of Board meetings shall be as follows:
 - (a) if there are an even number of Members, a quorum shall be one more than 50% of the number of Members of the District;
 - (b) if there are an odd number of Members of the District, a quorum shall be .5 more than 50% of the number of Members of the District.
- 7.10 All meetings of the Board or any committees created by the Board shall be conducted in accordance with Roberts Rules of Order.
- 7.11 An agenda for meetings of the Board shall be prepared by or at the direction of the President and posted in accordance with law. The President shall place on the agenda any item of business requested by any Director.

ARTICLE EIGHT COMMITTEES OF DIRECTORS

- 8.01 The Board may establish one or more committees, each committee to consist of at least one Director of the District. The Board may appoint additional persons, at their choosing, to committees established by the Board. Such committee or committees shall have the name or names, and such powers and authority as may be determined from time to time by resolution adopted by the Directors.
- 8.02 The committees shall keep regular minutes of their proceedings and report the same to the Board as required.
- 8.03 All committee meetings shall be conducted as "open meetings" under Texas law.

ARTICLE NINE OFFICERS

- 9.01 The Board shall elect a President, a Vice-President, a Secretary, and a Treasurer. President and Vice-President shall be a Member of the Board. The offices of the Secretary and Treasurer may be combined and are not required to be a Director. The Board may appoint one or more assistant officers who are not required to be Directors.
- 9.02 Officers of the District shall be elected by the Board of Directors at its first meeting, and thereafter as needed to fill vacancies.
- 9.03 Officers of the District elected pursuant to section 9601.054 (c) Special District Local Laws Code shall serve for one-year terms or until the term of the officer expires and is not renewed, whichever comes first.
- 9.04 Officers of the District elected may be removed from office, prior to the expiration date of term, at any time by a two-thirds (2/3) vote of the Board.
- 9.05 If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board for the unexpired term.

PRESIDENT

- 9.06 The President shall be ex-officio a member of all committees, and shall have such powers and duties as provided by law, by these Bylaws and as may be assigned from time to time by the Board.

- 9.07 The President shall execute in the name of the District all obligations, undertakings, and contracts approved by the Board of Directors except where required or permitted by law to be otherwise signed and executed, and except where the signing and execution thereof shall be expressly delegated by the Board to some other officer or agent of the District.

VICE PRESIDENT

- 9.08 The Vice President shall, in the absence or disability of the President, or at the direction of the President, perform the duties and exercise the powers of the President, and shall perform such other duties as the Board shall prescribe.

THE SECRETARY/TREASURER

- 9.09 The Secretary shall attend all sessions of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He shall give, or cause to be given, notice of all meetings of the Board and shall perform such other duties as may be prescribed by the Board or the President.
- 9.10 The Treasurer, to the extent not otherwise provided by the Board, by rules or regulations, in resolutions relating to the issuance of bonds, or in any financing documents relating to such issuance, shall have the custody of the corporate funds securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the District and shall deposit all moneys and other valuable effects in the name and to the credit of the District in a depository as shall be designated by the Board. The Treasurer shall disburse the funds of the District as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Presidents and Directors, at the meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the District. Any checks or other instruments disbursing funds shall bear two signatures which may be provided by the President, Vice President, and/or Treasurer.
- 9.11 In the absence or inability of the Secretary/Treasurer to act as Secretary, the Board shall select a member of the Board or other officer of the District to Act as Secretary Pro-Tem.

GENERAL

- 9.12 The provisions of the Texas Uniform Facsimile Signature of Public Officials Act shall be applicable to the Agency.

- 9.13 From time to time, and for such terms and compensation as it shall determine, the Board may authorize the employment of such additional officers, agents, and employees as it may deem necessary for the conduct of the business of the District.
- 9.14 Members of the Board of Directors may not receive compensation for service on the Board but may be reimbursed for expenses incurred in the performance of their official duties to the extent allowed by law and as shall be authorized from time to time by the Board.

ARTICLE TEN INDEMNIFICATION

- 10.01 The Board of Directors shall have the power to indemnify any Director, officer, or employee, past or present, for expenses, costs, including attorney's fees, and the amount of any judgment, penalty or fine actually rendered against him in connection with any claim asserted against him by reason of his having been such a Director, officer, or employee, in relation to matters as to which he shall not have been guilty of gross negligence or misconduct in respect to any matter for which indemnity is sought.
- 10.02 The Board of Directors may purchase and maintain liability insurance for such persons to the extent as shall be determined by the Board.

ARTICLE ELEVEN ACCOUNTING PROVISIONS

- 11.01 The first fiscal year of the District shall end on September 30, 2009, and thereafter the fiscal year of the District shall be from October 1st of each year to September 30th of the following year.

ARTICLE TWELVE UNIFORM FINANCIAL REPORTING

- 12.01 The financial reports of the District shall be prepared in accordance with General Accepted Accounting Principles as defined by the Governmental Accounting Standards Board and presented in "Audits of State and Local Governments Units" and Governmental Accounting and Financial Reporting Standards. A copy of the annual audit of the District will be provided to each Member within ten (10) days of approval of the audit by the Board.

- 12.02 Audits shall be conducted and reported in accordance with Chapter 49 of the Texas Water Code.

ARTICLE THIRTEEN AUDIT COMMITTEE

- 13.01 The Board of Directors of the District is hereby designated to function as an Audit Committee. This Board shall be concerned with the District's internal business and management activities.

ARTICLE FOURTEEN SPECIFIC PROJECTS

- 14.01 In order to participate in a particular project to be pursued by the District, a separate Participation Contract between the District and the Participating Member will be executed.
- 14.02 All projects of the District will be open to all Members, sharing costs on a pro-rata basis, according to relative capacity or benefit. Cost of water for any Project will be determined on a common basis, uniform among all Participating Members for that project, subject to Texas Local Government Code Chapter 422. Costs associated with transmission and delivery of water from any supplier or by the District shall be addressed by each Participating Member on a pro-rata basis. Oversizing of District facilities or facilities of others supplying water to the District shall be funded by the Participants on a pro-rata basis, according to the capacity demanded by the Participating Members. In order to have access to oversize capacity or to participate in any project of the District, a Member shall enter into a Participation Contract with the District.
- 14.03 In recognition of the costs inherent in developing and transporting new water supplies to meet the existing and future needs of the District and its Members, the Members agree that to the extent a Member desires to reuse or reclaim water developed by or through the District for the Member, other Members will support the reuse of such water by the initiating Member to the extent reuse is authorized by the State.

ARTICLE FIFTEEN SELECTION OF PROFESSIONAL CONSULTANTS

- 15.01 Professional consultant contracts cannot be awarded on the basis of competitive bidding only.

- 15.02 The Board of Directors shall determine, in its judgment, when and the extent to which outside professional services are needed. The Board shall select the entities to provide any professional service based on its judgment as to the one of ones expected to be able to provide the best service at customary and reasonable cost, with emphasis on competence and experience in providing the service.

ARTICLE SIXTEEN DEPOSITORY

- 16.01 District money shall be deposited in the depository or depositories designated by the board, except that:
- (1) bond proceeds and money pledged to pay bonds, to the extent provided in the proceedings authorizing the issuance of bonds, or the trust indenture securing the bonds, may be deposited with another depository or trustee named in the proceedings or trust indenture; and
 - (2) money shall be remitted to each paying agent for the payment of principal of and interest on the bonds.

ARTICLE SEVENTEEN INVESTMENT POLICY

17.01 INVESTMENT OF DISTRICT MONEY

- (a) Chapter 2256, Government Code, applies to the District and the investment of district funds and funds under district control.
- (b) The board may invest bond proceeds in a manner determined by the board or in the manner permitted or required in the proceedings authorizing the issuance of bonds or in the trust indenture securing the bonds.

ARTICLE EIGHTEEN AMENDMENTS

- 18.01 These By-Laws may be altered, amended, or repealed by the affirmative vote of a majority of the Board of Directors without notice at any annual meeting, or at any regular or special meeting provided notice of the proposed alteration or amendment is contained in the notice of the meeting.

Adopted and approved the 7th day of September, 2010.

President: Mike Dudda

ATTEST:

Secretary: Jerry Stich