

RIVERBEND WATER RESOURCES DISTRICT

BYLAWS

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 Fathers to unite the members to actively govern as one, our precious resources, and to not let apathy weaken and destroy the ability to do so as our recorded history proves.

ARTICLE TWO DEFINITIONS

- 2.01 **District:** The Riverbend Water Resources District.
- 2.02 **Board:** The Board of Directors of the District.
- 2.03 **Director:** an individual appointed by the Mayor of a Member to represent that Member on the Board of the District. The Mayor may appoint himself or any individual within the Membership's jurisdiction.
- 2.04 **Member:** A municipality, county, or other political subdivisions to a member of the district as provided by Section 9601.005.
- 2.05 **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.
- 2.06 **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.

- 2.07 **Participating Member:** a Member that executes a Participation Contract.

ARTICLE THREE OFFICE

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

ARTICLE FOUR BOUNDARIES

- 4.01 The boundaries of the District shall include all territory contained in any municipality, county, or other political subdivision that joins the District as a Member, including any changes in those boundaries and/or service areas as may occur periodically.

ARTICLE FIVE POWERS

- 5.01 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.

ARTICLE SIX DIRECTORS/MEMBERS

- 6.01 The District will be governed by a Board of Directors ("Board"). 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 Mayor may appoint himself or any individual within the Membership's jurisdiction that is a qualified voter and resident of the district. Such appointment shall be made by the Mayor of each Member.

6.03 The initial term and place of each director began on 07-23-09:

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 Mayor of the Member appointing said director. A Director may serve successive terms. If there is a vacancy on the Board, the Mayor 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 New members may be added and existing Members may withdraw to and from the Agency in the manner authorized by the District's Enabling Legislation, subject to the

continuing obligations of any withdrawing Member that may be contained in a Membership Contract or a Participation Contract.

ARTICLE SEVEN MEETINGS OF DIRECTORS

- 7.01 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
- 7.02 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.
- 7.03 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. A quorum for the purpose of Board meetings shall be one (1) more than 50% (fifty percent) of the number of Members of the District. 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.
- 7.04 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.

- 7.05 Meetings of the Board may be called by the President on 72 hours notice to each Director. Such notice may be given personally, or by mail, or by e-mail, or by telephone, or by text. A meeting shall be called by the President in like manner on like notices on the written request of three Directors.
- 7.06 Any notice required to be given to Directors by these bylaws may be given by telephone if given personally, and shall be deemed given at the time any written notice is mailed or telegram sent.
- 7.07 Notice of all Board Meetings shall be in accordance with Section 551 of the Government Code.

ARTICLE EIGHT COMMITTEES OF DIRECTORS

- 8.01 The Board may, by resolution or resolutions, establish one or more committees, each committee to consist of one or more Directors of the Agency. 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.

ARTICLE NINE AFFAIRS

- 9.01 The Board shall elect a President, one or more Vice-Presidents, a Secretary, a Treasurer, and other officers, as the members of the Board consider necessary. President and Vice-President must be a Member of the Board. The officers of the Secretary and Treasurer may be combined and are not required to be a director.
- 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) in the enabling legislation 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 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 exofficio a member of all standing 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 all obligations, undertakings, and contracts in the name of the District 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 and shall perform like duties for the standing committees when required. 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. He 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.

- 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-Tern.

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 receive compensation and may be reimbursed for expenses incurred in the performance of their 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 30th 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.

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
AMENDMENTS**

- 16.01 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 15th day of September, 2009.

President: _____

ATTEST:

Secretary: _____