



**Regular Called Meeting of the Board of  
Directors**

**Edmond S Komandosky, President**  
**Scott Ging, Vice President**  
**Monica P Masters, Secretary/Treasurer**  
**Allen R David, Director**  
**Laine Holman, Director**

**FILED**  
at 1:57 o'clock PM

**MAR 12 2024** *KW*

**LOWER BRUSHY CREEK WCID**

*Nancy E. Rister*  
County Clerk, Williamson Co., TX

Notice is hereby given for a regular called meeting of the Board of Directors of the Lower Brushy Creek WCID to be held on **Monday March 18, 2024 at 7:30 am** at the Greater Taylor Chamber of Commerce, 1519 North Main Street, Taylor, Texas 76574 for the purpose of considering the following agenda items. The Board of Directors will meet, consider, deliberate and may take action on all agenda items.

**AGENDA**

1. Welcome, Call to Order, and determination of a Quorum;
2. Citizens Communications - *an opportunity for the public to address the Board on agenda items or concerns not on the agenda (limited to 3 minutes each);*
3. Consider approval of Minutes for the *Regular Called Meeting Minutes of February 19, 2024*
4. Consider approval of the following Financial Report: *Account Register for February 2024*
5. Consideration and approval of amendments to the following documents to include Bott and Douthitt, PLLC as the WCID's bookkeeper:
  - a. Wilco Truth-in Taxation Information Request
  - b. TexPool Resolution Authorizing Participation
  - c. City National Bank ODFI Agreement
  - d. WCID Investment Policy
  - e. WCID Purchasing and Payment Policy
  - f. WCID Director Fees and Expense Reimbursement Policy
6. Consideration and discussion of the following documents prepared by K Friese & Associates;
  - a. Manual for Encroachments
  - b. Manual for Operation and Maintenance of Dams

7. Agency Reports;
8. Consideration and Discussion of the General Manager's Report and update;
9. Executive Session as authorized by Section 551.072 (Deliberations regarding Real Property) of Chapter 551, Title 5 of the Texas Local Government Code: easements and land values associated with LBC Site 18 Upgrade Project;
10. Reconvene to open session to take action, if any, on matters discussed in the Executive Session;
11. Director's comments; and
12. Adjournment.

"The Lower Brushy Creek Water Control & Improvement District Board of Directors reserves the right to adjourn into executive session at any time during the meeting to discuss any of the matters listed above, as authorized by Texas Local Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations regarding Real Property), 551.073 (Deliberations regarding Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations regarding Security Devices), and 551.087 (Deliberations regarding Economic Development Negotiations)."

## **CERTIFICATION**

I certify that a copy of the March 18, 2024 agenda of items to be considered by the Board of Directors of the Lower Brushy Creek WCID was posted on or before March 12, 2024.

*Sue Lilly*

---

Sue Lilly, District Clerk LBCWCID



Minutes of the February 19, 2024  
Meeting of the Board of Directors of the Lower Brushy Creek WCID

President Ed Komandosky called the Regular Meeting of the Board of Directors of the Lower Brushy Creek WCID to order at 7:30am on Monday February 19, 2024 and announced that a Quorum was present. Board members present included Vice President Scott Ging, Secretary/Treasurer Monica Masters, Director Allen David and Director Laine Holman. Others present included, General Manager Jim Clarno, Communications Consultant Richard Stone, District Clerk Sue Lilly, Board Attorney Mark Schroeder, and Jimmy Romell with Maxwell, Locke and Ritter, LLP.

There were no citizens communications.

General Manager, Jim Clarno, presented for consideration and approval the January 22, 2024 Regular Called Meeting Minutes. A motion was made by Director Allen David to approve the meeting minutes as presented. The motion was seconded by Director Laine Holman and approved by a vote of 5-0.

Kaye Pavelicek, citizen, joined the meeting.

Clarno presented for consideration and approval of the Financial Account Register for January 2024. A motion was made by Secretary/Treasurer Monica Masters to approve the financial report as presented. The motion was seconded by Vice President Scott Ging and approved by a vote of 5-0.

Clarno presented for consideration and possible action regarding the May 4, 2024 General Election for two members of the Board of Directors for the District to (1) Accept a "Certification of Unopposed Candidates" and approve an "Order of Cancellation" as provided in the Texas Election Code or (2) Approve a date, time and location of drawing position for said election as provided in the Texas Election Code. A motion was made by Vice President Ging to accept the "Certification of Unopposed Candidates" and "Order of Cancellation" as provided in the Texas Election Code, as presented. The motion was seconded by Director David and approved by a vote of 5-0.

Clarno presented for consideration and approval of the Financial Statement, Supplemental Information and Audit for the Fiscal Year ending September 30, 2023 by Maxwell, Locke and Ritter, LLP. A motion was made by Director Holman to approve the Financial Statement, Supplemental Information and Audit for the Fiscal Year Ending September 30, 2023 by Maxwell, Locke and Ritter, LLP as presented. The motion was seconded by Vice President Ging and approved by a vote of 5-0.

Clarno presented for consideration and approval of the "Manual for Encroachments" prepared by K Friese & Associates. There were no actions taken and the action has been tabled for the following board meeting.

Clarno presented for consideration and discussion the "Manual for Operation and Maintenance of Dams" prepared by K Friese & Associates. There were not actions taken and item action has been tabled for a future board meeting.

There were no Agency Reports

Clarno presented the General Manager's Report and update. A vote for the General Manager to engage a water attorney for future development projects was taken. A motion was made by Secretary/Treasurer Masters to have the General Manager engage a water attorney for future development projects as suggested. The motion was seconded by Vice President Ging and approved by a vote of 5-0.

Citizen, Kaye Pavlicek presented her feedback, concerns and questions to the Board. No action was taken.

President Komandosky opened an Executive Session at 8:42am, as authorized by Section 551.072 (Deliberations regarding Real Property) and Section 551.074 (Deliberations regarding Personal Matters) of Chapter 551, Title 5 of the

Texas Local Government Code: easements and land values associated with the LBC Site 18 Upgrade Project and vacant Director Position. No action was taken. The Executive Session was closed at 8:56am.

President Komandoksy announced a reconvening to open session at 8:58am. A vote for the General Manager to negotiate for future contracts with easement acquisition was taken. A motion was made by Secretary/Treasurer Masters to have the General Manager negotiate for future contracts with easement acquisition as suggested. The motion was seconded by Vice President Ging and approved by a vote of 5-0.

There were no other director's comments.

There being no further business, the meeting was adjourned without objection at 9:00am.

Respectfully submitted:

---

Monica P Masters/ Secretary



Lower Brushy Creek WCID Account Register for the period ending February 2024

<b>Balance as of 02/01/24</b>				
	TexPool Acct (General Fund)			\$854,121.68
	TexPool Acct (Rainy Day Fund)			\$214,571.16
	City National Bank			\$41,252.66
			<b>Total Funds Available</b>	<b>\$1,109,945.50</b>
<b>Income</b>				
	02/13/24	Transfer TexPool to checking		\$55,000.00
	02/21/24	Transfer TexPool to checking		\$32,000.00
	various	TexPool (General Fund)	Tax Revenue- February	\$143,231.49
	2/29/23	TexPool (General Fund)	Interest Posted	\$3,919.63
	2/29/23	TexPool (Rainy Day Fund)	Interest Posted	\$907.82
			<b>Total Income</b>	<b>\$235,058.94</b>
<b>Expenses</b>				
	2/5/2024	2168 US Geological Survey	Invoice # 91132499 (Gauges)	\$10,312.50
	2/5/2024	2175 Clark L Jackson	Accounting Services	\$400.00
	2/6/2024	2170 Ross Molina Oliveros PC	Legal Services Invoice #19252	\$709.40
	2/7/2024	2174 RTS Connect	Communications Consulting Fees	\$1,200.00
	2/8/2024	2171 Heritage Office Suites	Office Rental	\$1,028.00
	2/9/2024	2172 Jim Clarno	General Managers Fees/Mileage	\$6,500.00
	2/13/2024	2173 Ancira Strategic Partners	Communications Consulting Fees	\$1,000.00
	2/13/2024	Transfer from TexPool to Checking		\$55,000.00
	2/16/2024	2165 National Watershed Coalition	Dues	\$150.00
	2/20/2024	Home Depot (Shelves)	Debit Card Purchase	\$128.82
	2/21/2024	2135 Sue Lilly	District Clerk Services (Nov)	\$180.00
	2/21/2024	2144 Sue Lilly	District Clerk Services & Mileage (Dec)	\$706.18
	2/21/2024	2162 Sue Lilly	District Clerk Services (Jan)	\$100.00
	2/21/2024	2177 Maxwell, Locke & Ritter	FY 23 Audit	\$10,500.00
	2/21/2024	Transfer from TexPool to Checking		\$32,000.00
	2/21/2024	Public Storage (Deposit and 1st mth)	Debit Card Purchase	\$74.64
	2/22/2024	2178 K Friese & Associates, LLC	Engineering Services (Invoice #0957)	\$8,563.44
	2/22/2024	Public Storage (Insurance)	Debit Card Purchase	\$13.00
	2/23/2024	2176 Ross Molina Oliveros PC	Legal Services (Inv # 18891,18975 & 19352)	\$23,646.96
			<b>Total Expenses</b>	<b>\$152,212.94</b>
<b>Balance as of 02/29/24</b>				
	TexPool Acct (General Fund)			\$914,272.80
	TexPool Acct (Rainy Day Fund)			\$215,478.98
	City National Bank Acct			\$63,039.72
			<b>Total Funds Available</b>	<b>\$1,192,791.50</b>
<b>Prepared 03/12/2024</b>				



## LOWER BRUSHY CREEK WCID BOARD APPROVED POLICY

---

### FINANCIAL INVESTMENT POLICY

The purpose of this document is to adopt a Financial Investment Policy pursuant to the Texas Government and Water Codes. This policy included that adoption of an Investment Policy and Investment Strategies; designation of qualified brokers authorized to engage in investment transactions with the District, and designates an Investment Officer to be responsible for the investment of District funds.

#### **Investment Policy:**

**Scope** – This Policy applies to all transactions involving the investment assets of the District.

**Policy** – District funds will be invested in compliance with applicable legal requirements, the guidelines stated in this Policy, each District's Investment Strategy, and the restrictions, contained in the District's bond resolutions. Effective cash management is recognized as a foundation of this Policy. Notwithstanding the foregoing investment of District funds is limited to the types of investments set forth below.

**Allowable Maturities** – Unless otherwise stated in **Authorized Investments**, the maximum allowable stated maturity of any individual investment may not exceed two years, and the maximum dollar-weighted average maturity for pooled fund groups based on the stated maturity dated for the portfolio may not exceed 60 days. Settlement of all transactions, other than investment pool funds and mutual funds, must be consummated on a delivery versus payment basis.

**Investment Objectives** – The District's investment portfolio will be planned and managed to take advantage of the investment interest as a source of income from all operating and capital funds. In addition, the portfolio will be managed in accordance with the covenants of the District's bond resolutions, including covenants with respect to the arbitrage regulations under the U.S. Internal Revenue Code. Consideration will be given to the following objectives:

- **Safety of capital:** The primary objective of the District is to ensure the preservation and safety of principal.
- **Liquidity:** The District will maintain sufficient liquidity to ensure the availability of funds necessary to pay obligations as they become due.
- **Return on investment:** The District will seek to optimize return on investments within the constraints of safety and liquidity.



- **Standard of Care:** The District will seek to ensure that all persons involved in the investment process act responsibly in the preservation of District capital. District investments will be made with the exercise of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

**Investment Officer and Quarterly Report** – Purchases and sales of District Investments may only be initiated by an Investment Officer appointed by resolution of the Board. The District's Investment Officer will be required to attend training, in compliance with the Public Funds Investment Act, from an independent source approved by the Board that includes education in investment controls, security risks, strategy risks, market risks, and compliance with the Public Funds Investment Act. With Board approval, an Investment Officer may invest and reinvest funds of the District in accordance with the Policy. The Investment Officer must submit a written report to the Board, on at least a quarterly basis, which sets forth all investment transactions during the previous quarter, and which complies with the requirements of the Public Funds Investment Act.

The Investment Officer shall monitor the credit rating on all authorized investments in the District's portfolio based on independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by this Policy, the Investment Officer shall immediately solicit bids for and sell the security, if possible, regardless of a loss of principal.

**Acknowledgment Required** – Any business that desires to sell investments to the District or otherwise engage in an investment transaction with the District must be given a copy of this policy, and a qualified representative of the Business Entity must execute a written instrument, in substantively the form attached as Exhibit "A" stating that he or she:

- Has received and thoroughly reviewed this Policy; and
- Acknowledges that his or her organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the District and his or her organization that are not authorized by this Policy, except to the extent that such authorization is dependent on analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards.

**Collateralization** – Funds held at a bank or trust company that are not invested must be collateralized by collateral security set forth in the Public Funds Collateral Act, to the extent not insured by the Federal Deposit Insurance Corporation (FDIC), the Federal Savings and Loan Insurance Corporation (FSLIC), their successors, or any other instrumentality of the United States. Any bank or trust company that is required to secure a deposit of District funds under this Policy or the Public Funds Collateral Act must enter into an agreement regarding the collateral securities in a form approved by the District.

**Review** – This Policy and investment performance and security will be reviewed and evaluated at least annually by the Board, or more frequently upon the request of any Director. Following its annual review, the Board will adopt a written resolution confirming its review of the Policy and the investment strategies contained in this Policy.



**Authorized Investments:**

1. The following obligations of governmental entities and obligations guaranteed by the governmental entities are allowed:
  - 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) With prior approval of the Board, collateralized mortgage obligations directly issued by the federal government, the underlying security for which is guaranteed by the United States with certain exceptions set forth in the Public Funds Investment Act;
  - d) Other obligations backed by the full faith and credit of the United States; and
  - e) With prior approval of the Board, obligations of states, agencies, counties, cities, and other political subdivisions having not less than "A" rating from nationally recognized investment rating firm.
2. Certificates of deposit issued by a bank doing business in Texas guaranteed by the Federal Deposit Insurance Corporation or the obligations set for above.
3. With prior approval of the Board, repurchase agreements with a defined termination date; secured by obligations set for above and placed through a primary government securities dealer or financial institution doing business in Texas.
4. With prior approval of the Board, bankers' acceptance with stated maturity of 270 days or less that will be liquidated in full at maturity and meet other credit requirements established by the Board.
5. With prior approval of the Board, commercial paper with a stated maturity of 270 days or less and meeting other credit requirements established by the Board.
6. With prior approval of the Board, money market mutual funds that are no-load and
  - a) Are regulated by the Securities and Exchange Commission (SEC);
  - b) Have provided the District with prospectus and other information required by the Securities Exchange Act of 1934 and the Investment Company Act of 1940;
  - c) Have an average weighted maturity of 90 days or fewer; and
  - d) Have an investment objective of maintaining a stable net asset value of \$1 per share.
7. Other types of mutual funds which are no-load and
  - a) Are registered with the SEC;
  - b) Have an average weighted maturity of less than 2 years;
  - c) Are invested exclusively in obligations approved by this Act;
  - d) Have a "AAA", or its equivalent rating; and
  - e) Meet certain requirements of investment pools, as set forth in the Public Funds Investment Act.
8. Local government investment pool which meets the criteria as set forth in the Texas Public Funds Investment Act, maintains a "AAA" rating and has an investment objective of maintaining a stable net asset value of \$1 per share.

Deleted: Public funds



**Investment Strategies in order of priority:**

**A. Investment requirements by fund.**

1. **Operating Funds.** The District will maintain funds in the operating checking account at its depository, TexPool or any qualified money market fund to cover monthly operational expenses. The remaining operating funds will be invested in acceptable investments to meet the operating requirements of the District, as determined by the annual operating budget adopted by the Board, not to exceed a maximum maturity of two years.
2. **Tax Collections.** Tax collections will be deposited into the District's TexPool account. The balance will be checked monthly.
3. **Rainy Day Funds.** The District may maintain funds in a reserve account at its depository or TexPool, or those funds may be invested in acceptable investments not to exceed a maximum maturity of two years, to cover emergency expenses caused by storm, flood, drought, or other unforeseen occurrence.

**B. Suitability.** The District's Investment Officer(s) must understand the District's financial requirements. Appropriate investments will be made to meet the needs of the District. TexPool, Reserve Account, and future capital expenditures, or a qualified money market fund will be considered acceptable investments if approved by the District's Investment Officer in accordance with these strategies.

**C. Preservation of Capital.** A safe investment will allow the District to recover every dollar invested.

**D. Liquidity.** The District's Investment Officer(s) must invest in securities that are easily and rapidly converted into cash without substantial loss of value.

**E. Investment Marketability Requirements.** All investments must be "marketable" in case the need arises to liquidate an investment before maturity.

**F. Maximum Maturities.** To the extent possible, the District will match its investments with anticipated cash flow requirements. As required by the Public Funds Investment Act and the District's Financial Investment Policy, certain investments will have maturity limitations.

**G. Diversification.** There will be no defined level of investment diversification as long as all funds of the District are invested in accordance with these strategies.

**H. Yield.** District funds must be invested to obtain the maximum yield for each time frame taking into consideration the priority of preservation and safety of the principal and liquidity of the investment.

**List of Authorized Brokers:**

The following brokers may make investments for the District:

- City National Bank of Taylor
- Citizens National Bank
- Frontier Bank of Texas
- Cadence Bank
- PNC Bank

**Annual Financial Audit:**

Annually, the District Auditor shall audit for compliance of this policy. Written result of that audit shall be presented to the full Board.

**UPDATED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_ ~~2024~~

Deleted:

Deleted: 2023

Formatted: Font: Bold

By: \_\_\_\_\_  
Edmond S. Komandosky  
Board President

Formatted: Space Before: 0 pt

**ATTEST:**

By: \_\_\_\_\_  
Monica P. Masters  
Board Secretary





## **LOWER BRUSHY CREEK WCID BOARD APPROVED POLICY**

---

### **PURCHASING AND PAYMENT POLICY**

The purpose of this policy is to identify procedures to be utilized by District staff and officials in connection with purchasing and payment for goods and services on behalf of the Lower Brushy Creek Water Control & Improvement District.

Prior to the start of each fiscal year, the Board approves the District's budget. In approving the budget, the Board authorizes District staff to expend funds in the manner and amount that has been identified in the budget, and subject to the following procedures.

Staff and officials should never personally benefit from selecting a specific vendor or expending District funds, and all purchasing decisions shall be governed by the best interest of the District.

Employees and officials are not authorized to make purchases from any supplier with whom they have a financial interest or familiar relationship that could result in a conflict of interest.

#### **District Funds**

The District designates the City National Bank of Taylor as its depository. The District shall maintain a checking account at the depository and may establish money market or other accounts as authorized by the Board of Directors. All District expenditures will be paid from the District's checking account.

The District shall also maintain a TexPool account for receipt of all tax funds received from the Williamson County Assessor/Collector's office.

Transfers from TexPool to the District's checking account are authorized to cover the monthly operation and maintenance expenses reflected in a monthly summary of expenses that are approved by the Board of Directors. Two authorized signatures are required on all transfers.

Deleted: Wire

Deleted: wire

#### **Authority to Purchase**

The following employees and officials are authorized to expend funds on behalf of the District in accordance with the Board approved budget and are responsible for monitoring and ensuring both budgetary and policy compliance:



General Manager

District Secretary

Board President

Staff or officials that make unauthorized purchases are at the risk of being held financially responsible for the purchase or subject to disciplinary action up to and including termination.

### **Methods of Purchasing**

#### **Vendor Accounts**

Vendor accounts may be used for general purchases under \$500 monthly from each vendor, and within budgeted annual amounts.

#### **Credit Cards**

Credit cards may be used for general purchases and any recurring District bills within the predetermined credit limits and within budgeted annual amounts. The following credit cards limits shall apply:

General Manager	\$2,000
District Secretary	\$1,000
Board President	\$1,000

Automatic credit card payments for recurring District bills of a constant amount may be scheduled with the General Manager's approval. Bills with varying amounts may be made using a credit card but must be initiated manually. The General Manager will review and initial the monthly credit card statement and backup documentation for internal accounting purposes. The District's credit card number may be stored on reputable vendors' websites for ease of transactions, with the General Manager's approval.

#### **Reimbursement - purchases, mileage and travel expenses**

Any authorized District expense that is paid for by an employee or official shall be reimbursed with an approved reimbursement request form. Mileage for District business shall be reimbursed at the Federal Mileage Reimbursement Rate with an approved mileage reimbursement request form. Reimbursement for staff or officials shall be based on actual expenses. The General Manager is authorized to review and approve reimbursement requests.

Reimbursement request forms shall be accompanied by receipts for all transactions of \$50 or more. All transactions must include a written description of the expense, related business purpose, and names of all parties associated with the expenditure. All transactions require Board approval before reimbursement can be made.

#### **Reimbursement - meals and entertainment**

Business meals are occasionally warranted if associated with a meeting related to District business. In those cases, employees and officials are authorized to pay for such meals for consultants, vendors, municipal employees, etc. as long as such an act is not contrary to the recipient's employers' requirements. Such expenditures shall be limited to \$1,000 annually for the District without prior Board approval. All business meal expenditures shall be documented with receipts, with the attendees of the meeting and a brief description of the topic of the meeting written clearly on the receipt.



No reimbursement is allowed for the cost of entertainment or recreation unless the expenses is directly related to the conduct of the business of the District.

#### **Methods of Making Purchases**

District staff and officials should always make purchases that are financially sound and benefit or meets the business needs of the District. Purchases should provide best value, not necessarily lowest cost.

When procuring Professional Services, the District shall comply with the requirements of Subchapter A, Chapter 2254, Texas Government Code and shall select and award on the basis of demonstrated competence and qualifications to perform the services for a fair and reasonable price and shall not select services or award contracts on the basis of competitive bidding.

##### **Purchases and contracts less than \$25,000**

District staff is not required to seek competitive bids for contracts or purchases of items that cost less than \$25,000, with the approval of the General Manager. The employee may select the vendor but should make every attempt to get the best value for the District.

##### **Purchases from \$25,000 to \$75,000**

All contracts and purchases from \$25,000 to \$75,000 require prior approval for a "not to exceed" amount by the Board prior to the purchase being made.

Generally, no less than three written price quotations should be obtained from potential vendors to ensure competition. The written quotations must be submitted to the Board with the request to approve the purchase, and shall include the names of the vendors and their quote. Selection shall be based on price, quality of service, reliability of vendor, schedule, and other relevant factors as determined by the General Manager. If the General Manager, in his/her professional judgment, determines that it is unreasonable to obtain three quotes, then the General Manager may proceed with the purchase on a non-competitive basis with the concurrence of the Board.

Consideration to local qualified vendors, located within the District boundaries, may be considered as a relevant factor.

##### **Purchases of \$75,000 or more**

All contracts and purchases of \$75,000 or more require Board approval for a "not to exceed" amount prior to the purchase being made.

Purchases not made through a state contract or from a sole source provider shall use a formal bid process, either through an Invitation for Bid (IFB), Request for Proposal (RFP), or Request for Qualifications (RFQ). The Board must approve the purchase prior to the issuance of the IFB, RFP or RFQ. Staff will draft the document, including specifications, establish the scoring criteria and weight, and identify potential bidders, and submit it to the Board. If the Board approves the issuance, the General Manager will review the proposals and make an award recommendation to the Board. All responsive bidders shall be ranked based on best value offered as determined by the selection criteria in the procurement document as these terms are defined by Texas statutes and case law.

**Invitations for Bid (IFB)** - An IFB is generally used when the supplies, materials, equipment, goods, property or services to be acquired will be provided via contract on a recurring basis



over a specified period of time. The primary decision factor is price if using an IFB.

**Request for Proposal (RFP)** - An RFP is generally used when multiple factors exist that make it difficult or impossible to define a product or scope of work that will allow an evaluation to be made as to determine the lowest responsive bid from a responsible bidder. Evaluations will be based on the factors set forth in the RFP in order to determine which proposal best meets the needs of the District.

**Request for Qualification (RFQ)** - An RFQ is generally used when professional services are required. Cost information or other information from which cost can be derived must not be submitted until the second step of negotiating a contract at a fair and reasonable cost.

#### **Sole Source Purchases**

There may be circumstances where it is in the best interest of the District to not engage in a full competitive process to select contract awardees. Sole source procurement is justified when there is only one supplier that can provide the material or service economically or in a timely manner (the product or service is protected by copyright, patent, or trademark, or must be provided by the original equipment manufacturer; a mobilized contractor is the only one who can perform in time; or there is no time to solicit and evaluate proposals).

The General Manager may consult with Board Attorney when considering sole source procurement but must have prior approval from the Board to make sole source purchases.

#### **Bid or Contract Modifications**

The District may negotiate with any responsive bidder to improve the value of the contract to the District prior to award or selection of a supplier. The District may negotiate simultaneously with multiple suppliers during the evaluation process in order to obtain the best deal possible for the District.

After award of the contract and signing by both parties, the District may make changes to plans, specifications or quantities, if necessary. If a change order of \$25,000 or less is involved, the District grants authority to the General Manager to approve the change order. All other change orders require approval by the Board of Directors.

No increase of more than 25% per contract may be made without Board approval and verification of proper bonding by the contractor.

#### **Emergency Purchasing Provisions**

The District is generally exempted from competitive bidding if:

1. In the case of public calamity, the prompt purchase of items is required to provide for the needs of the public or employee safety, or to preserve real property within the District, or;
2. An item is necessary to preserve or protect the public health, safety and welfare.

The General Manager may approve expenditures of District funds in any amount as may be necessary to respond to emergency conditions that potentially threaten the health, safety or welfare of District residents, employees, the public or District infrastructure, for which immediate corrective action is necessary. It is desired that any such action be planned in consultation with the Emergency Coordinators, local Floodplain Administrators, public safety officers, Federal, State or local government officials, or the District engineering contractor. It is further desired that such officials later provide the District with a letter or other record of these consultations, to be placed in the District archive as documentation supporting the



expenditures of District money. Notification of such action shall be presented to the Board and subsequently placed on the agenda for the Board of Directors' next regularly scheduled meeting.

#### **Approval of Expenditures and Payment of Invoices**

##### **Regular Expenses**

The General Manager shall review all invoices for regular District expenses (except for invoices from CLARNO Consulting, LLC) and, if acceptable, will provide a written recommendation for approval.

The Treasurer or President shall review all invoices for regular District expenses from CLARNO Consulting, LLC and, if acceptable, will provide a written recommendation for approval.

##### **Operation and Maintenance Expenses**

The General Manager shall review all invoices for operation and maintenance expenses to be paid from the Texas State Soil and Water Conservation Board's Flood Control Program and, if acceptable, will prepare and submit the required request for payment and approval.

##### **Repair and Rehabilitation Project Expenses**

The General Manager shall review all construction related invoices (except for invoices from CLARNO Consulting, LLC) for repair and rehabilitation expenses to be paid from the Texas State Soil and Water Conservation Board's Flood Control Program and, if acceptable, will prepare and submit the required request for payment and approval.

The Treasurer or President shall review all invoices from CLARNO Consulting, LLC for repair and rehabilitation expenses to be paid from the Texas State Soil and Water Conservation Board's Flood Control Program and, if acceptable, will prepare and submit the required request for payment and approval.

##### **Check approval and signatures**

Approved invoices shall be sent to Bott & Douthitt, PLLC, for preparation of checks. Checks will require two signatures.

**Deleted:** Clark L. Jackson, PC

#### **Reporting of Expenditures**

Reimbursement request forms shall be accompanied by receipts for all transactions of \$50 or more. Any transaction of \$50 or more that is not documented with a receipt requires a written explanation of why a receipt is not available and certification by the purchaser that the expenditure is a valid District expense.

The Board of Directors will receive a summary of all financial transactions and reimbursement request forms each month. Directors may opt for an electronic copy of all back-up documentation (invoices, receipts, etc.).

**Deleted:** Checks up to \$5,000 shall require signature of at least one Director. Checks over \$5,000 shall require signatures of at least two Directors.

**Deleted:** Authorized signatories shall include all members of the Board of Directors.

#### **Disposal of Surplus Materials**

Materials no longer necessary, convenient or beneficial to the District with an estimated value greater than \$50 may be sold, transferred or conveyed by the General Manager for appropriate consideration, subject to Board approval.

**Purchasing Ethics**

All staff and officer decisions are held to strict standards of ethical conduct due to the visible public service positions they hold and the potential for public misperceptions.

District staff and officers have the right to engage in activities that are of a private nature outside their District duties and responsibilities. However, one must never use their position at the District to provide any special benefit to themselves or to persons with whom they have family, business, personal or financial ties. Although a conflict technically may not exist, any appearance of such a conflict must be avoided. Whenever a potential conflict of interest arises, the Board Attorney, General Manager and Board of Directors should be notified immediately for guidance and resolution.

**Bank Statements and Monthly Financial Statements**

Bank statements shall be mailed to Bott & Douthitt, PLLC for reconciliation each month and regular financial statements will be prepared and provided to the General Manager.

Deleted: Clark L. Jackson, PC

Deleted: Treasurer and

**Effective Date**

This policy will become effective upon adoption by the Board of Directors.

APPROVED AND ADOPTED on this \_\_\_\_ day of \_\_\_\_\_, 2024.

Deleted: 2019

By: \_\_\_\_\_  
Edmond S. Komandosky  
Board President

ATTEST:

By: \_\_\_\_\_  
Monica P. Masters  
Board Secretary





## LOWER BRUSHY CREEK WCID BOARD APPROVED POLICY

### DIRECTOR'S FEES AND EXPENSE REIMBURSEMENT POLICY

The purpose of this policy statement is to establish guidelines for payment of fees and for reimbursement of the expenses Board members incur in carrying out their responsibilities as Directors of the Lower Brushy Creek Water Control & Improvement District.

Each Director is entitled to fees for performing the duties of a director and/or reimbursement of expenses in accordance with State statutes and resolutions adopted by the Board of Directors.

#### **Director's Daily Fees**

Performing the duties of a director include:

- Substantive performance of the management or business of the District, including participation in Board and committee meetings;
- Other activities involving the substantive deliberation of District business, including training and/or meeting with District staff, consultants, or other officials;
- Attendance at association meetings, conventions and conferences that are directly related to District business, provided that such attendance is authorized by the Board; and
- Substantive participation in the District response to a District emergency event.

Directors are not entitled to reimbursement for routine or ministerial activities such as the execution of documents or self-preparation for meetings or other activities requiring a minimal amount of time.

Directors shall receive as daily fees of office for each day of service necessary to discharge his or her duties, if and only, if the compensation is approved by vote of the Board of Directors. The daily fee may only be charged in its entirety and may not be modified to a lesser amount.

The daily fees shall be as follows:

- \$100 per day on or after October 1, 2019 ~~and~~
- \$150 per day on or after October 1, 2024.

The maximum fees of office of a Director may receive is \$7,200 per year.

Deleted: ¶  
\$50 per day before October 1, 2019 and

Formatted: Normal, No bullets or numbering

Deleted: .

### Director's Expenses

Directors are entitled to reimbursement of expenses incurred which are "ordinary" and "necessary in carrying out their responsibilities as District Board members. An expense is "ordinary" if it occurs with some degree of consistency in the District's business; and an expense is "necessary" in terms of what is "appropriate and helpful" to the development or conduct of the business of the District. Normally, these expenses include travel, meals and lodging while away from home conducting District business.

Expenses that qualify for reimbursement include travel expenses for airfare, car rental, taxi and use of a personal automobile. The mode and method of travel will be at the discretion of each Director. Airfare on a common carrier may not be reimbursed in an amount exceed the lowest available fare. Approval and reimbursement of Director's Expenses shall be consistent with the District *Purchasing and Payment Policy*. No reimbursement is allowed for the cost of entertainment or recreation unless the expenses are directly related to the conduct of the business of the District.

### Audit of Director's Fees and Expenses

Annually, the District Auditor shall audit for compliance with this policy. Written results of that audit shall be presented to the full Board.

### Effective Date

This policy will become effective upon adoption by the Board of Directors.

APPROVED AND ADOPTED on this \_\_\_\_ day of \_\_\_\_\_, ~~2019~~, 2024.

Deleted: 2019.

By: \_\_\_\_\_  
Edmond S. Komandosky  
Board President

ATTEST:

By: \_\_\_\_\_  
Monica P. Masters  
Board Secretary