

No. 2022-04-02

**RESOLUTION ADOPTING MANAGEMENT INFORMATION POLICY
LOST PINES GROUNDWATER CONSERVATION DISTRICT**

WHEREAS, the Lost Pines Groundwater Conservation District (the "District") was created in 1999 by Senate Bill 1911, 76th Texas Legislature, pursuant to Section 59, Article 16 of the Texas Constitution and Article 7880-3c, Texas Civil Statutes (now Chapter 36, Texas Water Code); ratified by the 77th Texas Legislature in 2001; and confirmed by voters in Bastrop and Lee counties in November 2002; and

WHEREAS, the District Board of Directors ("Board") seeks to establish a policy related to the District's use of financial information pursuant to Tex. Water Code §36.061;

WHEREAS, the Board reviewed the Management Information Policy attached as *Attachment A* at its April 20, 2022 meeting and seeks to adopt this policy pursuant to Tex. Water Code §36.061, as applicable and as amended.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Lost Pines Groundwater Conservation District that the Management Information Policy attached as *Attachment A* is adopted, and that a copy of this resolution be posted on the District website.

PASSED AND EFFECTIVE ON April 20, 2022.

LOST PINES GROUNDWATER
CONSERVATION DISTRICT

By: Sheril Smith
Sheril Smith, President
Board of Directors

ATTEST:

By: Elvis Hernandez
Elvis Hernandez, Secretary-Treasurer
Board of Directors

**LOST PINES GROUNDWATER CONSERVATION DISTRICT
MANAGEMENT INFORMATION POLICY**

SECTION 1. PURPOSE

The Lost Pines Groundwater Conservation District (District) desires to adopt a policy to ensure a better use of management information, including the use of budget in planning and controlling costs, the establishment of a functioning Financial Services committee, and the use of uniform reporting requirements pursuant to Tex. Water Code § 36.061, as amended. The District provides for the management of District information in accordance with Chapter 36, Texas Water Code.

Establishment of a Financial Services Committee:

Purpose of Financial Services Committee. The Lost Pines Groundwater Conservation District Financial Services Committee (the “Committee”) is established to provide advice and assistance to staff and consultants of the Lost Pines Groundwater Conservation District (the “District”), and recommendations to the District’s Board of Directors, in the execution of District activities and operations related to the finances of the District.

Membership. The Committee is a four-member subcommittee selected from the membership of the District’s Board of Directors with the Secretary-Treasurer serving as the Chair of the Committee as detailed in the Financial Services Committee Charge document (“Committee Charge”).

Responsibilities. The responsibilities of the Committee are detailed in the Committee Charge and specify the Committee’s objectives and goals consistent with the minimum financial requirements of the District. The Committee Charge may be modified at the discretion of the President of the Board of Directors.

SECTION 2. ACCOUNTING RECORDS

The General Manager shall be responsible for preparing district accounting records on a timely basis and maintained in an orderly basis, in conformity with generally accepted accounting principles, the requirements of the State Auditor, and any applicable requirements under Chapter 36, Texas Water Code. Useful and readable records, including an annual District year-end financial report and

dated monthly financial statements, shall be developed and regularly reported to the Board and made available for public inspection on the District website.

Itemized, categorized expenses shall be reported along with their associated budgeted amount and their monthly expense. Expenses will be itemized and categorized according to, but not limited to, the following: Labor; Supplies; Professional Services; Operating Expenses; and debt services. Funding, including total revenue and monthly revenue from interest income and permit fees shall be reported. Operating fund and investment fund balances shall be reported monthly. For each and every itemized expense, the function balance between the yearly budgeted amount and its total monthly expenses shall be reported. The function balance plus the total monthly expenses shall be equal to the total yearly budgeted amount for each and every expense.

SECTION 3. AUDIT REQUIREMENTS

The District, at the end of each fiscal year, shall have prepared a financial audit of its affairs by an independent certified public accountant or a firm of independent certified public accountants, which audit shall be open to public inspection. Such auditors shall have no personal interest directly or indirectly in the fiscal affairs of the District and shall be experienced and qualified in the accounting and auditing of public bodies. The audit shall be performed in accordance with generally accepted auditing standards and shall satisfy all requirements imposed by Chapter 36, Texas Water Code. The audit shall be reported to the Board, made available to the public on the District's website and all issues addressed in a timely manner.

If the District does not have sufficient revenues or activity so that it meets the requirements of the Audit Laws for financially dormant or inactive districts, it may prepare and submit an annual financial dormancy affidavit, or annual financial report described in the Audit Laws.

SECTION 4. BUDGET

Prior to the commencement of the fiscal year, the Financial Services Committee shall recommend and the Board shall adopt an annual budget for use in planning and controlling District costs pursuant to Tex. Water Code § 36.154, as amended.

Such budget shall take into consideration all District revenues and all District obligations and expenditures. From time to time, the Board may amend the

annual budget upon the board's approval. Such budget may take into consideration long-range planning goals along with funding strategies to achieve them.