

A RESOLUTION PROVIDING FOR THE DISBURSEMENT AND TRANSFER
OF DISTRICT FUNDS, REQUIRING SURETY BONDS AND
MAKING PROVISIONS RELATED THERETO

WHEREAS, §49.151, Water Code, provides that the board of directors of a district may authorize employees to execute disbursements of district funds by check, draft, order or other instrument, and allow disbursements to be made by the federal reserve wire system; and

WHEREAS, §49.057, Water Code requires those who handle district funds to furnish a surety bond to the district in an amount to be set, and the bond premium may be paid, by the board; therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
LAKEWAY MUNICIPAL UTILITY DISTRICT:

1. GENERAL FUND:

a. The General Manager, Finance/Administration Manager or any Director (signatory or signatories) is authorized to execute all checks from the General Fund not to exceed \$50,000 in payment of expenses contained in the District's approved annual operating budget, as revised, including but not limited to utility, operating and maintenance expenses and payroll payments.

b. Checks exceeding \$50,000 shall be executed by any two (2) signatories.

c. Disbursements may also be made by Automated Clearing House (ACH) when authorized by the required number of signatories.

d. No signatory may execute a check payable to himself or herself.

2. BOND FUND. All disbursements drawn on the Bond Fund require the signatures of any three (3) Directors.

3. INTRAFUND TRANSFERS. The General Manager, Finance/Administration Manager or a Director may make transfers to or from the General Fund or the Bond Fund to or from another District Fund.


4. SURETY BONDS. Every Director or employee who collects, pays or handles any District funds shall furnish good and sufficient bond, payable to the District, conditioned on the faithful performance of that person's duties and on accounting for all funds and property of the District, with the bond signed by a company authorized to do business in Texas. The amount of the bond for the General Manager, Finance/Administration Manager, Office Supervisor, Utility Billing Assistant, Customer Service Assistant and Customer Service Representative shall be in the penal amount of \$50,000. The District shall pay the premium for the bond.


5. FEDERAL WIRE TRANSFERS. Any disbursements may be transferred by the Federal Reserve Wire System to accounts in the District's name, including payment of debt service payments, by the General Manager, Finance/Administration Manager or any Director.

6. REPEAL OF OTHER RESOLUTIONS. Any resolution dealing with the subject matters of this Resolution, in conflict herewith or making any additional requirements is hereby repealed.

PASSED, APPROVED AND EFFECTIVE this 21st day of October 2009.

ATTEST:


Secretary, Board of Directors


President, Board of Directors

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