

TEXAS ALLIANCE OF GROUNDWATER DISTRICTS

Annual Meeting

Tuesday, August 27, 2013, 9:00 am

San Marcos Embassy Suites and Conference Center

AGENDA

- A. Call to Order – 9:00 a.m.
- B. Invocation
- C. Roll Call
- D. Discussion and possible action on minutes of prior meeting
- E. Discussion and possible action on Financial Reports
- F. Discussion and possible action on membership in the Groundwater Management Districts Association
- G. Discussion and possible action on Bylaws amendments
- H. Discussion and possible action on contract for bookkeeping services with Lone Star GCD
- I. Discussion and possible action on Texas Groundwater Summit
- J. Discussion and possible action on 2013-2014 District Membership dues, Associate Membership dues, and quarterly meeting registration fees
- K. Discussion and possible action on 2013-2014 Annual Budget
- L. Discussion and possible action on 2014 TAGD quarterly meetings
- M. Discussion and possible action on creation of TAGD Strategic Plan
- N. Election of Officers and Executive Committee members for the next two fiscal years
- O. Committee Reports

Executive Director (Stacey Steinbach)	Groundwater Protection (David Van Dresar)
Executive Committee (Kathy Turner Jones)	Information & Education (Deanya Williams)
Legislative Committee (David Van Dresar)	Railroad (Bob Patterson)
Bylaws Committee (Cindy Weatherby)	Aquifer Storage and Recovery (David Mauk)
Drought Preparedness (David Van Dresar)	Soil & Water Conservation (Mike McGuire)

P. Member and Group Reports

GCD Reports	GMA Reports
RWPG Reports	Environmental Flows Advisory Group Reports

Q. Other TAGD Business

R. 11:00am: Adjournment

The meeting may be closed in accordance with Article 6.0.D.2. of the TAGD Bylaws
NOTE: Agenda items may be considered, deliberated, and/or acted upon in a different order than set forth above.

**Minutes of
Regular Meeting
TEXAS ALLIANCE OF GROUNDWATER DISTRICTS
May 29-30, 2013
Crowne Plaza Austin**

**Agenda Item D
1 of 3 documents, 4 pages**

Wednesday, May 29, 2013

These Minutes are a record of the items discussed, including motions on any matters that involve the TAGD Membership. The Minutes mostly follow the order on the previously distributed agenda, but may not have been discussed in that order, as noted in the Minutes.

8:00am – 2:00pm: Public Funds Investment Act Training for registered members

2:30pm: **Call to Order and Invocation.** President Kathy Turner Jones called the meeting to order at 2:35pm. Mike McGuire gave the invocation.

2:45pm: **Legislative Wrap-Up**, Stacey Steinbach, Executive Director, TAGD

3:30pm: Break

3:45pm: Business Meeting

- A. **Roll Call.** Secretary Kirk Holland called the roll at 1:40 pm, and informed the Chair there were 43 District Members in attendance, comprising a quorum. A list of GCDs represented at the meeting is attached as Attachment 1.
- B. **Announcement of new members.** Stacey noted TAGD has added two new members since the last meeting, and welcomed them to our organization: Wintergarden GCD and AquaSurance, LLC.
- C. **Discussion and possible action on minutes of prior meeting.** After correcting a math error in the minutes, Steve Walthour made and Zach Holland seconded a motion to approve the minutes as amended, and the motion passed unanimously.
- D. **Discussion and possible action on Financial Reports and report from Finance and Budget Committee.** Steve Walthour directed the membership to the financial reports included in board packets. TAGD had \$124,000 in bank as of April 30th and \$126,000 in total assets. He informed the membership that the Finance and Budget committee would be meeting on May 30th after adjournment of the quarterly meeting and would come back to the membership in August with budget and dues/fees recommendations.
- E. **Report from Texas Groundwater Summit Planning Committee.** Stacey provided an update from the committee and noted that everything was running smoothly and on target. She thanked the committee members - Janet Adams, Kirk Holland, Zach Holland, Jim Polonis, Laura Raun, Lonnie Stewart, David Van Dresar, Steve Walthour, and C. E. Williams – for their participation and hard work.
- F. **Discussion and possible action on 2014 meetings and conferences.** No action.
- G. **Report from TAGD Nominating Committee.** No report.

4:10 pm: Kathy Jones recessed the quarterly meeting until the following morning at 9 am.

4:30 pm: TAGD Member Reception and Dinner (dinner for registered attendees only)

Thursday, May 30, 2013

8:00am: Executive Committee Meeting

9:00 am: Kathy Jones issued the Call to Order from recess at 9:17 am and the attendees heard the following Speaker Presentations:

1. ***Brackish Resources Aquifer Characterization System***, John Meyer, Program Specialist, Innovative Water Technologies, Texas Water Development Board
2. ***Water Conservation and Drought Contingency Planning – GCD perspective***, Scott Swanson, LaCosta Environmental LLC

10:45 am: Break was taken at 11:00 am.

11:00 am: Committee and Member/Group Reports began at 11:15 am.

- **Executive Director (Stacey Steinbach):** The bulk of the Executive Director's report was included in the legislative update. Stacey noted that next steps, now that session has adjourned, would be to continue working on the Summit, prepare a legislative update for the upcoming TWCA conference and next issue of the Texas Water Journal, and work with the Finance and Budget, Bylaws, and Executive committees on matters that would come before the membership in August, including election of officers and the 2014 meeting schedule. She reminded the members that the October 2013 meeting would be in Cleburne.
- **Groundwater Protection (David Van Dresar):** No report.
- **Executive Committee (Kathy Turner Jones):** Kathy noted that the Executive Committee has met several times in the past couple of months, both by person and phone call/e-mail. They have been generally discussing the legislative session, bylaws proposals, and officers, but have no specific update at this time. They are working on the minutes from the past meetings and will include those in member packets once the Executive Committee has approved them.
- **Information & Education (Deanya Williams):** No report.
- **Legislative Committee (David Van Dresar):** No report (provided during legislative update).
- **Railroad (Bob Patterson):** Bob provided an update of some of the Railroad Commission's newly-adopted rules, and noted that the agency would be amending additional groundwater-related rules sometime this summer. He indicated that some of these rules were problematic for groundwater management by GCDs.
- **Bylaws Committee (Cindy Weatherby):** Stacey reported that she would be working with Cindy on some proposed Bylaws amendments, including those related to honorary TAGD memberships and TAGD's participation in other organizations.
- **Aquifer Storage and Recovery (David Mauk):** No report.
- **Drought Preparedness (David Van Dresar):** No report.
- **Soil & Water Conservation (Mike McGuire):** Mike stated that Congress extended the Farm Bill and is working on a new one. He noted that groundwater levels were generally lower across much of the state. Feral hogs are currently the biggest concern in his part of the state.

Other Updates

- **GCD Reports:** Kathy began a discussion on GCDs and the State Auditor's Office auditing process, noting the legal requirements related to the audit and asking what GCDs were

being audited this year. The membership explored the audit process, asking numerous questions, and it was discovered that Clearwater GCD, Lone Star GCD, Pineywoods GCD, Wes-Tex GCD, Upper Trinity GCD, Rolling Plains GCD, Hays Trinity GCD, Colorado County GCD, Trinity Glen Rose GCD, Cow Creek GCD, Bandera County RA and GC, Southern Trinity GCD, Clear Fork GCD, Mid-East Texas GCD, Coastal Plains GCD, and Kimble County GCD are currently being audited. Stacey requested that those GCDs send her a list of the questions that are being asked and information requested by SAO. Next, John Dupnik began a discussion related to how well registration requirements are conveyed to new property owners through the real estate transaction process. He has been working with TAGD Associate Member and consultant Charles Porter on getting some information included with seller disclosure notices with the hopes of applying those concepts regionally and then even statewide. He requested that interested GCDs coordinate with him any methods for making sure that well and GCD information gets conveyed to new property owners.

- **GMA Reports:** None
- **RWPG Reports:** None
- **Environmental Flows Advisory Group Reports:** None

11:45am: Other TAGD Business: None.

Adjournment: Without objection, Kathy Jones adjourned the meeting at 11:52am.

Prepared and submitted by Stacey Steinbach, Executive Director, and Kirk Holland, Secretary

Approved by the Members on _____, 2013

Kathy Turner Jones,
President

W F (Kirk) Holland,
Secretary

Attachment 1
Members Attending the TAGD Quarterly Business Meeting
May 29-30, 2013
Austin, TX

- | | |
|---|--|
| 1. Barton Springs/Edwards
Aquifer CD | 23. North Plains GCD |
| 2. Blanco-Pedernales GCD | 24. North Texas GCD |
| 3. Bluebonnet GCD | 25. Panhandle GCD |
| 4. Central Texas GCD | 26. Panola County GCD |
| 5. Clearwater UWCD | 27. Pecan Valley GCD |
| 6. Colorado County GCD | 28. Pineywoods GCD |
| 7. Cow Creek GCD | 29. Plateau UWC&SD |
| 8. Crockett County GCD | 30. Plum Creek GCD |
| 9. Evergreen UWCD | 31. Post Oak Savannah GCD |
| 10. Gonzales County UWCD | 32. Prairielands GCD |
| 11. Hemphill County UWCD | 33. Real-Edwards Cons. & Recl.
District |
| 12. High Plains UWCD #1 | 34. Red River GCD |
| 13. Hill Country UWCD | 35. Rolling Plains GCD |
| 14. Kenedy County GCD | 36. South Plains UWCD |
| 15. Kimble County GCD | 37. Southeast Texas GCD |
| 16. Kinney County GCD | 38. Sutton County UWCD |
| 17. Llano Estacado UWCD | 39. Texana GCD |
| 18. Lone Star GCD | 40. Upper Trinity GCD |
| 19. Lone Wolf GCD | 41. Victoria County GCD |
| 20. Mesa UWCD | 42. Wes-Tex GCD |
| 21. Middle Trinity GCD | 43. Wintergarden GCD |
| 22. Mid-East Texas GCD | |

TEXAS ALLIANCE OF GROUNDWATER DISTRICTS
Summary Minutes of Executive Committee Meetings and Votes
Tuesday, February 26, 2013, 9:00am (Crowne Plaza Austin)
March 31 – April 4, 2013 (Via E-mail)
Tuesday, May 13, 2013, 11:00 am (Via Conference Call)

These summary-level minutes are a record of the items discussed, including motions on any matters that involve or are referred to the TAGD membership. This summary does not necessarily reflect the order in which such discussions took place.

February 26, 2013

- A. **Call to Order:** 9:12am
- B. **Roll Call.** The following Executive Committee members were present: Kathy Turner Jones, David Van Dresar, Kirk Holland, Steve Walthour, Cindy Weatherby, Jim Conkwright, Janet Adams, Gary Westbrook, Joe B. Cooper, and Tim Andruss.
- C. **Discussion/possible action on wrap up from 2012 Executive Committee Retreat.** Steve made and Kirk seconded a motion to summarize and memorialize the events and discussions of the 2012 Executive Committee Retreat. The motion passed unanimously.
- D. **Discussion and possible action on Financial Reports, Budget, and Annual Report.** Stacey provided an overview of TAGD's recent financial reports, a summary of the draft FY11/12 Annual report, and an update from the recent meeting of the Finance and Budget Committee. That committee met via conference call on February 19th to discuss the redirection of funds dedicated to office expenses for this fiscal year (TAGD won't be using the bulk of these expenses due to the generous arrangement with Bickerstaff for office and meeting space during the Legislative Session). The committee discussed the use of the office funds for a website project to improve the GCD database (see below) as well as funds for additional print and outreach materials and meeting expenses. After much discussion, the committee proposed to leave \$2,500 of those funds in the office category and move \$7,500 to the meeting expenses categories to cover the additional costs of providing beverages at meetings, hosting the Capitol breakfast, and securing help at the February and May TAGD meetings. Stacey noted that TAGD is at a point where it needs help with pre-meeting details and an additional staff person on-site to help with registration and other member needs. To that end, and at the direction of the Finance and Budget Committee, TAGD requested a proposal from IEM (the company that manages our Texas Groundwater Summit) related to providing limited administrative services for our February and May meetings. Steve made and

David seconded a motion to approve for a membership vote of the financial reports and the Annual Report, moving \$7,500 from the office expenses category of the Budget to the Meeting Expenses category of the Budget, and the proposed contract for administrative meeting services with IEM. The motion passed unanimously.

- E. Report from and possible action on recommendations from subcommittee on grants, projects, and other organizations.** Steve gave a summary of this committee meeting earlier in the day. The committee, consisting of Steve Walthour, chair, Kirk Holland, Leah Adams, Dirk Aaron, Gary Westbrook, and C.E. Williams recommended the following principles be incorporated into a future Bylaws amendment:

1. TAGD may contribute financial assistance to an organization or research effort only upon upon a written proposal from a member GCD and a subsequent vote of the full membership at a regular TAGD meeting;
2. At the written request of a member GCD that includes a summary of the benefits to TAGD, TAGD's Executive Committee may vote on whether TAGD should to lend non-monetary support to a groundwater research effort or project; and
3. TAGD may become a member of other organizations only upon a written proposal from a member GCD and a subsequent vote of the full membership at a regular TAGD meeting.

- F. Discussion and possible action on legislative initiatives and legislation.** David and Stacey provided a summary of the Legislative committee meeting from the previous day. Steve made a motion to approve the draft bill position chart, with edits, and Tim Andruss seconded the motion. It passed unanimously.

- G. Discussion/possible action concerning training offered by TAGD.** No action. Steve suggested the committee look into providing necessary training as part of the membership dues.

- H. Discussion/possible action concerning TAGD committee participation.** Stacey informed the group that a question had arisen regarding active Associate TAGD members participating on TAGD's conference planning committee. On a motion by Steve and seconded by Joe, the committee voted unanimously to authorize Associate Members to participate on select committees so long as those members do not make up more than 25% of the committee, and subject to the committee's approval.

- I. Discussion/possible action concerning Texas Groundwater Summit 2013.** No action. Stacey provided an update of Summit planning progress.

J. **Discussion/possible action concerning other matters before the Executive Committee.** None.

K. **Adjournment.** The meeting adjourned at 9:44 on a motion by Steve that was seconded by David and approved unanimously.

March 31 – April 4, 2013 E-mail Action

The Executive Committee voted unanimously via e-mail correspondence that occurred between March 31 and April 4, 2013 to approve an application for membership from Wintergarden GCD.

May 13, 2013

1. **Roll Call.** The following Executive Committee members were on the call: Kathy Turner Jones, David Van Dresar, Kirk Holland, Steve Walthour, Jim Conkwright, Janet Adams, Joe B. Cooper, Tim Andruss, and Ron Fieseler.
2. **New Member Application.** Steve made and David seconded a motion to approve the application of AquaSurance, LLC. The motion passed unanimously.
3. **May TAGD Meeting.** The committee discussed the May meeting, including agenda items and speaker presentations.
4. **Legislative Session.** Stacey provided a quick legislative update and said she would be sending out a new comprehensive summary this week. Steve made and Jim seconded a motion to make a recommendation to the Legislative Committee that TAGD support the current version of SB 873 in the House. (Note: I'm hearing that the HNRC likely isn't going to take testimony on this bill, so this issue is no longer imminent, but I will be sending an update on that bill to the lege committee asap)
5. **Other Pending Business.** The Nominating Committee will have a teleconference soon and will report to the membership at the May meeting. Steve asked if TAGD could investigate a lifetime or emeritus-type membership for retired TAGD members. Janet noted that we have a subcommittee formed to investigate such a program, as well as one that will look into TAGD's participation and membership in other organizations. Stacey will investigate currently standing committees and report back to the membership asap.
6. **Adjournment.** Steve made and Ron seconded a motion to adjourn. The motion passed unanimously.

TEXAS ALLIANCE OF GROUNDWATER DISTRICTS
Summary Minutes of Executive Committee Meetings and Votes
July 2, 2013 (Via Conference Call)
July 8, 2013 (Via Conference Call)
August 1, 2013, 11:00 am (Via Conference Call)
(Approved via e-mail between August 13th and 15th, 2013)

These summary-level minutes are a record of the items discussed, including motions on any matters that involve or are referred to the TAGD membership. This summary does not necessarily reflect the order in which such discussions took place.

July 2, 2013

Roll Call. The following Executive Committee members were on the call: Kathy Turner Jones, Kirk Holland, Steve Walthour, Janet Adams, Gary Westbrook, Tim Andruss, and Joe B. Cooper.

Discussion/possible action on minutes of past meetings. Motion made by Steve and seconded by Joe B. Passed unanimously.

Discussion/possible action on TAGD Executive Committee vacancies. No action.

Discussion/possible action on FY 13-14 TAGD Budget. No action.

July 8, 2013

Roll Call. The following Executive Committee members were on the call: Kathy Turner Jones, Kirk Holland, Steve Walthour, Janet Adams, Gary Westbrook, Tim Andruss, and Joe B. Cooper.

Discussion/possible action on FY 13-14 TAGD Budget. After discussing drafts of the budget and dues options, as well as the "TAGD Personnel Needs" memorandum, the Executive Committee took the following actions:

1. Propose an amendment to the Bylaws that TAGD endeavor to keep at least 50% of total budgeted expenses in reserves on an annual basis (Steve/Gary, unanimous);
2. Direct the Finance and Budget Committee to authorize use of up to \$40,000 of TAGD reserves for the upcoming fiscal year's budget (Gary/Kirk, unanimous); and
3. Authorize the addition of a full-time employee or contracted equivalent to TAGD's staff for the purposes stated in the "TAGD Personnel Needs" memorandum (Steve/Tim, unanimous, one abstention).

August 1, 2013

Roll Call. The following Executive Committee members were on the call: Kathy Turner Jones, David Van Dresar, Kirk Holland, Janet Adams, Gary Westbrook, and Joe B. Cooper. Jim Conkwright was also on the call.

Discussion and possible action on Annual Meeting agenda. Update item, no action.

Discussion and possible action on Financial Reports. Update item, no action.

Discussion and possible action on Bylaws amendments. Update item, no action.

Discussion and possible action on contract for bookkeeping services with Lone Star Groundwater GCD. Update item, no action.

Discussion and possible action on Texas Groundwater Summit. After discussion, the committee approved a motion to recommend to the membership approval of a 2-year contract with IEM for producing the Texas Groundwater Summit (Janet/Gary, unanimous).

Discussion and possible action on 2013-2014 District Membership dues, Associate Membership dues, and quarterly meeting registration fees and discussion and possible action on 2013-2014 Annual Budget. These items were taken up together. After reviewing the information from the Finance and Budget Committee, the committee discussed the merits of having a reception and/or a drink ticket included in the costs of registration, and agreed the former was a valuable change to the quarterly meeting format, but expressed concerns regarding including alcohol in the registration fees. The committee voted unanimously to approve the proposed quarterly meeting registration fees schedule, as amended (keep the included reception but remove the drink ticket option) (Gary/Janet). After a motion by Gary and a second by Kirk, the committee also voted unanimously to approve the proposed FY 13-14 budget with an amendment to "option one" of the 2013-2014 district and associate membership dues. Instead of lumping all associate and district members together, the associate dues would be broken down by entity type and budget. The three options will be presented along with the proposed budget to the membership at the Annual Meeting.

Discussion and possible action on 2014 TAGD quarterly meetings. No discussion or action.

Discussion and possible action on creation of TAGD Management Plan. No action other than to call it "strategic plan" and discuss ideas/options through TAGD area representatives and at the Annual Meeting.

Discussion and possible action on current and future Officer and Executive Committee vacancies. Kathy provided a report from the nominations committee with the proposed slate of officers for the next two fiscal years. The committee then discussed how to respond to vacancies on the committee created when a committee member is no longer with the member district. Stacey noted that the Bylaws call for the committee to elect a replacement until a formal replacement can be elected at the next quarterly meeting. However, it was noted that a vacancy in the office of Past President should defer to the previous past president, and the other officer vacancies would only last for one month (both Cindy and Kirk retire from their GCDs effective 8/30/13). The committee decided they would take action in September should it be necessary during that time.

TAGD
Balance Sheet - Quarterly
As of June 30, 2013

	<u>Jun 30, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
First Bank - M.M.	111,765.31
First Bank - OPR	<u>7,132.18</u>
Total Checking/Savings	118,897.49
Accounts Receivable	
Accounts Receivable	<u>780.31</u>
Total Accounts Receivable	<u>780.31</u>
Total Current Assets	119,677.80
Fixed Assets	
Office Equipment	<u>1,599.99</u>
Total Fixed Assets	<u>1,599.99</u>
TOTAL ASSETS	<u>121,277.79</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>3,314.50</u>
Total Accounts Payable	<u>3,314.50</u>
Total Current Liabilities	<u>3,314.50</u>
Total Liabilities	3,314.50
Equity	
Invested in capital assets, net	1,599.99
Opening Bal Equity	84,433.05
Retained Earnings	26,063.81
Net Income	<u>5,866.44</u>
Total Equity	<u>117,963.29</u>
TOTAL LIABILITIES & EQUITY	<u>121,277.79</u>

3:36 PM

08/01/13

Accrual Basis

TAGD**Balance Sheet - Quarterly - Prev Year Comparison**

As of June 30, 2013

Agenda Item E
(Page 2 of 5)

	<u>Jun 30, 13</u>	<u>Jun 30, 12</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
First Bank - M.M.	111,765.31	105,285.98	6,479.33	6.2%
First Bank - OPR	7,132.18	2,026.24	5,105.94	252.0%
Total Checking/Savings	118,897.49	107,312.22	11,585.27	10.8%
Accounts Receivable				
Accounts Receivable	780.31	1,226.75	-446.44	-36.4%
Total Accounts Receivable	780.31	1,226.75	-446.44	-36.4%
Total Current Assets	119,677.80	108,538.97	11,138.83	10.3%
Fixed Assets				
Office Equipment	1,599.99	0.00	1,599.99	100.0%
Total Fixed Assets	1,599.99	0.00	1,599.99	100.0%
TOTAL ASSETS	121,277.79	108,538.97	12,738.82	11.7%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	3,314.50	1,550.00	1,764.50	113.8%
Total Accounts Payable	3,314.50	1,550.00	1,764.50	113.8%
Other Current Liabilities				
Accrued Expenses	0.00	4,351.55	-4,351.55	-100.0%
Total Other Current Liabil...	0.00	4,351.55	-4,351.55	-100.0%
Total Current Liabilities	3,314.50	5,901.55	-2,587.05	-43.8%
Total Liabilities	3,314.50	5,901.55	-2,587.05	-43.8%
Equity				
Invested in capital assets, ...	1,599.99	0.00	1,599.99	100.0%
Opening Bal Equity	84,433.05	84,433.05	0.00	0.0%
Retained Earnings	26,063.81	3,739.21	22,324.60	597.0%
Net Income	5,866.44	14,465.16	-8,598.72	-59.4%
Total Equity	117,963.29	102,637.42	15,325.87	14.9%
TOTAL LIABILITIES & EQUITY	121,277.79	108,538.97	12,738.82	11.7%

2:52 PM

07/05/13

Accrual Basis

TAGD
Quarterly Profit & Loss - Budget vs. Actual
April through June 2013

Agenda Item E
 (Page 3 of 5)

	<u>Apr - Jun 13</u>	<u>Budget</u>	<u>Oct '12 - Jun 13</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Income					
Member Dues	450.00		58,550.00	56,000.00	56,000.00
Meeting Income	14,411.88	13,392.00	31,493.13	31,000.00	46,000.00
Interest Income	92.44	75.00	293.81	225.00	300.00
Total Income	<u>14,954.32</u>	<u>13,467.00</u>	<u>90,336.94</u>	<u>87,225.00</u>	<u>102,300.00</u>
Expense					
Meeting Expenses	6,860.97	26,200.00	13,917.28	32,600.00	32,600.00
Professional Services	1,312.50	1,312.50	4,388.95	4,887.50	6,200.00
Office Expense	1,482.67	1,875.00	5,046.64	4,475.00	6,350.00
Personnel	19,249.78	19,021.05	56,997.92	57,067.20	76,088.25
Outreach	0.00	255.00	61.27	745.00	1,000.00
Travel/Conferences/Memberships	854.73	1,377.00	3,820.91	4,123.00	5,500.00
Awards/Sponsorship/Scholarship	0.00	187.50	237.53	562.50	750.00
Total Expense	<u>29,760.65</u>	<u>50,228.05</u>	<u>84,470.50</u>	<u>104,460.20</u>	<u>128,488.25</u>
Net Income	<u>-14,806.33</u>	<u>-36,761.05</u>	<u>5,866.44</u>	<u>-17,235.20</u>	<u>-26,188.25</u>

12:24 PM

07/08/13

Accrual Basis

TAGD

Profit & Loss - Prev Year Comparison

October 2012 through June 2013

Agenda Item E
(Page 4 of 5)

	Oct '12 - Jun 13	Oct '11 - Jun 12	\$ Change	% Change
Income				
Income				
Booth/Misc/Meeting Income	0.00	10.00	-10.00	-100.0%
Total Income	0.00	10.00	-10.00	-100.0%
Member Dues				
Membership Dues - Voting	40,750.00	39,625.00	1,125.00	2.8%
Membership Dues - Associates	17,800.00	15,000.00	2,800.00	18.7%
Total Member Dues	58,550.00	54,625.00	3,925.00	7.2%
Meeting Income				
Registration Fees	20,737.50	21,686.25	-948.75	-4.4%
Meals and Break Sponsorships	4,905.63	5,953.00	-1,047.37	-17.6%
PFIA Training	5,850.00	2,250.00	3,600.00	160.0%
Total Meeting Income	31,493.13	29,889.25	1,603.88	5.4%
Interest Income	293.81	259.01	34.80	13.4%
Total Income	90,336.94	84,783.26	5,553.68	6.6%
Expense				
Meeting Expenses				
Food and Beverages	7,957.26	0.00	7,957.26	100.0%
Conference Rooms & Exp	3,560.02	42.74	3,517.28	8,229.5%
PFIA Instructor	2,400.00	0.00	2,400.00	100.0%
Total Meeting Expenses	13,917.28	42.74	13,874.54	32,462.7%
Professional Services				
Audit/Tax Return	450.00	3,000.00	-2,550.00	-85.0%
Financial Bookkeeping Support	2,701.45	2,700.00	1.45	0.1%
Texas Legislative Service	1,237.50	1,237.50	0.00	0.0%
Total Professional Services	4,388.95	6,937.50	-2,548.55	-36.7%
Meal and Beverages	0.00	3,584.30	-3,584.30	-100.0%
Meeting Exp	0.00	5,599.30	-5,599.30	-100.0%

12:24 PM

07/08/13

Accrual Basis

TAGD

Profit & Loss - Prev Year Comparison

October 2012 through June 2013

Agenda Item E
(Page 5 of 5)

	Oct '12 - Jun 13	Oct '11 - Jun 12	\$ Change	% Change
Office Expense				
Supplies/Equipment/Printing	2,864.20	0.00	2,864.20	100.0%
Telephone/Conf.Calls/Postage	704.32	315.00	389.32	123.6%
Website	1,342.06	70.05	1,272.01	1,815.9%
Office Expenses	136.06	0.00	136.06	100.0%
Office Miscellaneous	0.00	68.06	-68.06	-100.0%
Office Supplies & Equipment	0.00	727.27	-727.27	-100.0%
Postage Expense	0.00	237.31	-237.31	-100.0%
Printing/Copying Expense	0.00	11.35	-11.35	-100.0%
Total Office Expense	5,046.64	1,429.04	3,617.60	253.2%
Personnel				
Salaries	48,750.03	44,624.97	4,125.06	9.2%
Payroll Taxes	3,729.39	3,413.82	315.57	9.2%
Health Insurance Reimburse	4,132.45	3,951.00	181.45	4.6%
Executive Director - Travel	0.00	547.90	-547.90	-100.0%
Payroll Service Fees	386.05	12.25	373.80	3,051.4%
Total Personnel	56,997.92	52,549.94	4,447.98	8.5%
Outreach	61.27	0.00	61.27	100.0%
Travel/Conferences/Membershi...	3,820.91	0.00	3,820.91	100.0%
Awards/Sponsorship/Scholars...	237.53	21.65	215.88	997.1%
Lobby Registration	0.00	153.63	-153.63	-100.0%
Total Expense	84,470.50	70,318.10	14,152.40	20.1%
Net Income	5,866.44	14,465.16	-8,598.72	-59.4%

The Groundwater Management Districts Association (GMDA) provides a forum to exchange ideas on the different approaches taken regarding all aspects of groundwater management by member districts in Colorado, Kansas, Louisiana, Mississippi, Nebraska, Oklahoma, and Texas. Membership is available in four types:

- The DISTRICT membership is open only to those districts who have major programs and responsibilities for groundwater development, conservation and management, and which are chartered under the laws of their respective states. Dues are \$350 annually.
- The ORGANIZATIONAL membership is open to organizations and associations whose major purposes are the development, conservation and management of groundwater. Dues are \$250 annually.
- The AFFILIATE membership is open to those organizations, businesses or partnerships affiliated with the interests and purposes of the Association. Dues are \$125 annually.
- The INDIVIDUAL membership is open to those individuals interested in the purposes of the Association. Dues are \$25 annually.

We invite you and your organization to join GMDA. Please complete the Membership application and mail to GMDA, PO Box 356, Dumas Texas 79029. Your membership helps promote information, conservation, cooperation, and coordination of the management of America's groundwater resources.

TEXAS ALLIANCE OF GROUNDWATER DISTRICTS BYLAWS

~~Proposed – August 27, 2013~~

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Article 1.0: NAME

The name of this association shall be "Texas Alliance of Groundwater Districts" (TAGD). All references herein to ~~TAGD or~~ the (or this) Alliance refer to the Texas Alliance of Groundwater Districts.

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Article 2.0: PURPOSE AND MISSION

The Texas Alliance of Groundwater Districts is a non-profit organization established to provide groundwater conservation districts the opportunity to exchange ideas and develop or influence programs for the management, conservation, protection, and development of groundwater within Texas. ~~The mission of the Alliance is to support Texas GCDs and their efforts to conserve, preserve, and protect Texas groundwater.~~ In furtherance of our purpose ~~and mission~~, the Alliance shall endeavor:

- A. To provide to its members information, ideas, practices, and programs which will conserve and protect the groundwater resources of the State;
- B. To exchange information between member districts and associate members concerning rules, procedures, programs, practices, and other duties involved in the operation of a groundwater conservation district;
- C. To review and analyze methods and techniques employed by members and their associates in conducting studies and research on management of groundwater, and in designing and obtaining solutions to problems associated therewith;
- D. To provide resource information to State and Federal Legislators and agencies concerning legislation and policies which involve groundwater; and
- E. To evaluate activities, policies and plans of governmental bodies and other organizations and associations as they relate to groundwater and to provide the information to all member districts.

Article 3.0: OFFICES AND RECORDS

- A. The principal office of the Alliance, with all records stored electronically, will be located at the office of the Executive Director. If the position of Executive Director is vacant, the principal office of the Alliance will be located at the office of the President. Secondary offices will be located at each of the other officers' Member District Offices.
- B. Each officer of the Alliance shall maintain in his/her Member District office all records of the Alliance, which shall include but is not limited to records, correspondence and other documents, regarding the activities associated with the office they hold in the Alliance. The Secretary of the Alliance or his/her designee shall notify the Secretary of State's office at the beginning of each fiscal year and furnish a list of the names and addresses of each of the officers of the Alliance.

Article 4.0: MEMBERSHIP

Membership in the Alliance shall ~~be~~ District, Associate, or Honorary.

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- A. District Membership is limited to Groundwater Conservation Districts and those other political subdivisions of the State of Texas that have specific legal authority to regulate the spacing of water wells, the production from water wells, or both, in order to provide for the

conservation, preservation, protection, recharging, and prevention of waste of groundwater, and of groundwater reservoirs or their subdivisions, and to control subsidence caused by the withdrawal of water from those groundwater reservoirs or their subdivisions, consistent with the objectives of Section 59, Article XVI, Texas Constitution except for those political subdivisions of the State of Texas that provide retail water services. Once a District is admitted as a Member, that District retains the rights of a voting member of the Alliance as long as membership in the Alliance is maintained.

B. District Membership Application and Action by the Alliance:

1. Qualifying entities under Article 4.0 (A) requesting membership in the Alliance shall complete and submit to the Secretary a membership application form and a copy of the enabling legislation or other documentation of creation.
2. The application for district membership shall be reviewed by the Secretary and Executive Director and submitted, with any applicable comments, to the Executive Committee for consideration and approval or disapproval. District membership approval shall require a vote for approval by two-thirds of the members or designated alternates of the Executive Committee.
3. The actions of the Executive Committee may be taken at a committee meeting, by a conference call of the committee members or by e-mails exchanged between the committee members. The action shall normally be completed within 30 days of receipt of a completed application by the Secretary.
4. An application for district membership acted on favorably by the Executive Committee entitles the district to a district membership in accordance with these bylaws.
5. An application for district membership acted upon unfavorably by the Executive Committee shall be returned to the applicant with a cover letter from the Alliance President stating the reason or reasons for the unfavorable action by the Alliance.

C. District Membership shall be one of the following:

1. Voting member. A member district that has paid their appropriate dues and registration fees to the Alliance in accordance with Article 5.0.
2. Non-voting Member. A one year complimentary membership is limited to new districts and begins on the date of approval of the application for membership. Non-voting members may not hold an office in the Alliance.
3. Suspended member. A member district that has been declared as non- operational by the state auditor under provisions of Section 36.302 Texas Water Code. A member district may remain active at their current membership level within the Alliance for up to one year after the designation by the state auditor. During this time, the membership of the Alliance may provide support to the suspended member in an effort to regain the operational status to the district. If the district has not been declared operational at the end of two years, the district is no longer eligible for membership in TAGD. In order to be reinstated as a member, the member must provide the Alliance with a letter showing that the district has been declared operational by the appropriate agency, and comply with Article 4.0, Section (B) and Section (C)(1). After the first year of designation as non-operational, the suspended member may not pay dues, is not a voting member, and may not hold a position on the Executive Committee in the Alliance.

D. Associate Membership

1. Associate membership in the Alliance shall be a non-voting membership and open to application by any person or entity.

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2. Associate membership in the Alliance should be supportive of the Alliance and its goals.
3. Persons or entities requesting associate membership in the Alliance shall complete and submit to the Secretary an associate membership form. The application process shall be as follows:
 - a. The application for associate membership shall be reviewed by the Secretary and Executive Director and submitted, with any applicable comments, to the Executive Committee for consideration and approval or disapproval. Associate membership approval shall require a vote for approval by two-thirds of the members or designated alternates of the Executive Committee.
 - b. The actions of the Executive Committee may be taken at a committee meeting, by a conference call of the committee members or by e-mails exchanged between the committee members. The action shall normally be completed within 30 days of receipt of a completed application by the Secretary.
 - c. An application for associate membership acted on favorably by the Executive Committee entitles the applicant to an associate membership in accordance with these bylaws.
 - d. An application for associate membership acted upon unfavorably by the Executive Committee shall be returned to the applicant with a cover letter from the Alliance President stating the reason or reasons for the unfavorable action by the Alliance.
4. Associate members shall be allowed to participate in regular membership meetings, but may not vote on Alliance business. Associate members may be required to leave the meeting during closed sessions of membership meetings.
5. Associate members may be allowed to give presentations and distribute literature or information to the membership under the supervision of the Executive Director of the Alliance.
6. Representatives of federal, state and local agencies may attend regular membership meetings as non-voting attendees upon payment of the appropriate registration fees. Representatives of these agencies may be exempted from registration fees if they are invited to present part of the meeting program. These representatives may be required to leave the meeting during closed sessions of membership meetings.

E. Honorary Membership

1. Honorary Membership may be awarded to a person in appreciation of outstanding service to the Alliance or in recognition of distinguished achievement related to groundwater management and conservation in Texas.
2. Any District Member may nominate a person for Honorary Membership in the Alliance. Nominations shall be delivered to the Secretary of the Alliance with a copy to the Executive Director.
3. Upon receipt of a nomination for Honorary Membership in the Alliance, the Secretary shall forward it to Executive Committee. The Executive Committee shall review the nomination and take action on whether or not to present it to the general membership for approval.
4. The actions of the Executive Committee may be taken at a committee meeting, by a conference call of the committee members or by e-mails exchanged between the

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committee members. The action shall normally be completed within 30 days of receipt of a nomination by the Secretary.

5. The voting members shall by vote determine if a nominee shall be awarded Honorary Membership. An affirmative vote of 2/3rds of the members present at the meeting where the vote occurs is required to approve the Honorary Membership.

6. An Honorary Member of the Alliance is exempt from annual membership dues requirements and enjoys the same benefits as an Associate Member of the Alliance.

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Article 5.0: DUES AND FEES

The membership dues and fees of the Alliance shall be:

A. Annual Dues.

1. District Membership-Each district member of the Alliance shall be assessed annual dues based on the following criteria:
 - a. Voting Member: Full dues.
 - b. Non-voting Member: No dues unless the district wants to be a voting member in accordance with Article 4.0(C)(2).
 - c. Suspended Member: In accordance with Article 4.0(C)(3)
2. Associate Membership: Each associate member of the Alliance shall be assessed annual dues and registration fees as applicable.

B. Fees. The Alliance may charge fees as determined to be necessary. The fees shall be used to offset expenses of the Alliance including, but not limited to:

1. Meeting room expense;
2. Meals provided at meetings;
3. Seminars hosted by the Alliance; and
4. Other costs associated with Alliance functions.

C. The dues and fees of the Alliance shall be set annually by the voting membership at a regular meeting of the Alliance. The agenda items shall be:

1. to set the amount of meeting registration fees;
2. to set the amount of annual district membership dues; and
3. to set the amount of annual associate membership dues.

D. Dues are assessed on an annual basis. They are due and payable on November 1 of each year.

1. The Treasurer or his/her designee will mail, email, or fax dues statements to the membership by October 1st each year.
2. The Treasurer or his/her designee will mail, email, or fax a final notice of non-payment of dues not later than November 15 to members who have not paid dues by November 1.

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3. A member who has not paid dues by December 1 shall be considered delinquent, and shall be mailed a notice of cancellation of membership by the Treasurer or his/her designee.
 4. Membership may be reinstated upon payment of the current annual dues and any delinquent fees or dues.
 5. A former member who has not paid dues for two (2) or more consecutive years is required to submit a completed application for membership under the provisions of section 4.0(C) or 4.0(D).
 6. Members joining after October 1 shall have their dues prorated to September 30 of that fiscal year on a quarterly basis.
 7. Dues for new members, District Membership or Associate Membership, shall be invoiced by the Treasurer or his/her designee to the new member after membership is approved. Initial membership dues must be paid within 30 days of receipt of invoice or membership in the alliance shall be suspended.
- E. Fees are assessed on an event basis and payable as determined by the voting membership. Registration fees for attendees of the regular meetings may be assessed for each meeting as they are scheduled.

Article 6.0: BUSINESS MEETINGS OF THE ALLIANCE

- A. The Alliance shall hold meetings as determined by the membership or executive committee. It is preferred that, when possible, a regular business meeting will be scheduled during each quarter of the fiscal year.
- B. Special meetings of the Alliance may be called as necessary by the president, two Executive Committee members or five members of the Alliance.
- C. Notice of business meetings and a proposed agenda for that meeting shall be mailed, emailed or faxed to all members of the Alliance no later than (10 days) prior to the date of the meeting. The final agenda for a business meeting shall be posted on the alliance web site at least 72 hours in advance of the meeting. Notice of special called meetings of the Alliance and an agenda shall be given prior to the meeting to all members of the Alliance. This notice may be by telephone, fax, email or overnight letter.
- D. Meetings of the Alliance, in general, are open to all members of the Alliance except as follows:
 1. Members who are delinquent in their dues and/or fees are not permitted to attend meetings of the Alliance unless they have paid the delinquent dues and/or fees or made satisfactory arrangements with the Treasurer.
 2. Closed Business Meetings. At the discretion of the President or through a motion and an affirmative vote by the voting members the meeting may be closed to include only specific membership categories but must include voting members.

Article 7.0: QUORUM

A Quorum at a regular or special meeting of the Alliance shall consist of 40 percent of the voting members as defined in Article 4 .0(C)(1).

Article 8.0: VOTING

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- A. Each voting member district of the Alliance is entitled to one vote in matters concerning the Alliance.
- B. The vote of any voting member district may be cast by a director, a general manager, or a designated representative of the member District. A representative may be designated in writing by the board president or general manager. The written notice must be presented to the Secretary of the Alliance and remains in effect until October 1 of odd numbered years. The voting representative of a member district must be present to vote at any scheduled or called meeting of the Alliance.
- C. The presiding officer may cast a vote in accordance with Article 8.0(A).
- D. A quorum must be present at any regular or called meeting for a vote to be taken.

Article 9.0: AMENDMENTS

These Bylaws of the Alliance may be amended or repealed in whole or in part upon three fourths affirmative vote of the membership present at a meeting of the Alliance at which a quorum is present. Any amendment to these bylaws or a motion to repeal any part or all of these bylaws must be presented to the entire membership of the Alliance by mail, email, or fax not less than 10 days nor more than 45 days prior to meeting at which the item is on the agenda. Any changes made in the Bylaws of the Alliance shall be mailed, emailed, or faxed to all members within 30 days of adoption.

Article 10.0: POLICY STATEMENTS

The Membership of the Alliance may adopt policy statements as necessary to clarify specific procedural requirements for responsibilities outlined herein. As with amendments to the Bylaws, adoption of a policy statement requires an affirmative vote of three fourths of the membership present at a meeting of the Alliance at which a quorum is present. Any proposed policy statement must be presented to the entire membership of the Alliance by mail, email, or fax not less than 10 days nor more than 45 days prior to meeting at which the item is on the agenda. Any policy statement adopted by the membership as provided herein shall be mailed, emailed, or faxed to all members within 30 days of adoption.

Article 11.0: RULES OF ORDER

Where not in conflict with these Bylaws, Roberts Rules of Order shall be the parliamentary authority for all matters of procedure.

Article 12.0: OFFICERS OF THE ALLIANCE AND THEIR RESPONSIBILITIES

Only employees and/or directors of voting members are eligible to serve as officers. Consultants, contract workers, or other workers who cannot be legally defined as employees of the district are ineligible to serve as officers. Officers may designate a TAGD employee or TAGD contractor to perform activities required to carry out the responsibilities provided herein.

- A. PRESIDENT---Responsibilities shall include:
 - 1. Presiding over meetings of the Alliance.
 - 2. Appointing members to Standing Committees and other committees he/she deems necessary and designating a chairman for each of the committees with the exception of Executive Committee, Legislative Committee, Finance/Budget Committee, and Bylaws Committee.
 - 3. Calling special meetings of the Alliance.

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4. Preparing the agenda for business meetings of the Alliance in consultation with the Executive Committee and the Executive Director.
5. Serving as or appointing a representative to the "Texas Groundwater Protection Committee".
6. Serving as an Ex Officio Member of all committees except the Executive Committee.
7. Serving as chairman of the Executive Committee.

B. VICE-PRESIDENT---Responsibilities shall include:

1. Presiding over meeting in the absence of the President.
2. Performing other responsibilities as may be assigned to him/her by the President.
3. Serving as chairman of the Legislative Committee and a member of the Finance / Budget Committee.

C. SECRETARY---Responsibilities shall include:

1. Keeping the minutes of the business affairs of the Alliance.
2. Maintaining all the minutes, notices, and contracts of the Alliance.
3. Performing certain mail outs of the Alliance.
4. Performing other responsibilities as may be assigned to him/her by the President.

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D. TREASURER---Responsibilities shall include:

1. Providing a quarterly written financial report to the Alliance.
2. Receiving income and making disbursements of the funds of the Alliance.
3. Depositing funds of the Alliance in an accredited bank insured by FDIC.
4. Obtaining prior approval from the President or Vice-President for all expenditures of the Alliance in excess of \$1,000.00.
5. Getting two (2) signatures on payments of \$1,000.00 or more except for payments which exceed \$1,000.00 and are either authorized by contractual agreement or have a regular, recurring payment schedule when such expenditures are either an approved budget item or have been authorized by a vote of the membership.
6. Obtaining approval of the Executive Committee to amend the budget for expenditures less than \$2,500.00.
7. Obtaining approval from a majority of the members to amend the budget for expenditures over \$2,500.00.
8. Performing other responsibilities as may be assigned to him/her by the President.
9. Serving as chairman of the Finance/Budget Committee.
10. Filing an annual tax return with the IRS to maintain the non-profit status of the Alliance and providing a copy of the return to the secretary.

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E. PARLIAMENTARIAN---Responsibilities shall include:

1. Seeing that the bylaws of the Alliance are followed and the meetings are conducted in proper order.
2. Serving as chairman of the Bylaws Committee.

F. TAGD AREA REPRESENTATIVE

1. Each TAGD area (see Appendix B) is entitled to one representative on the Executive Committee. If the TAGD area is not represented by one of the elected offices, the member districts in the TAGD area shall elect an Executive Committee Representative, and shall report to the Alliance the name of that elected representative by October 1 of odd numbered years.
2. The TAGD area representative may be re-elected by the member districts of the area.

Article 12.1: TERM OF OFFICE

Each officer of the Alliance listed in Article 12.0 shall be elected by a majority vote of the membership and shall serve for two years. The TAGD area representative shall serve a two-year term. The officers and each elected Executive Committee member shall assume the responsibilities of their office at the beginning of the fiscal year following their election to the office.

Article 12.2: ELECTION OF OFFICERS

- A. The election of officers shall be held at a regular meeting of the Alliance during the last quarter of odd-numbered fiscal years in which the officers' terms expire.
- B. The Nominating Committee shall present to the membership a slate of officers as listed in Article 12.0 of these bylaws.
- C. Nominations shall be solicited from the membership at large. Nominations may be made from the floor by any district member of the Alliance.
- D. Each officer of the Alliance shall be elected by a majority vote of the members present.
- E. Only districts that are voting members in the Alliance are eligible to vote in any election of the Alliance.

Article 12.3: VACANCY OF OFFICERS AND EXECUTIVE COMMITTEE MEMBERS

- A. The Executive Committee shall appoint a temporary replacement to serve until the next regular meeting of the Alliance at which time a replacement shall be elected by the membership to fill the remainder of the unexpired term in accordance with [Article 13.0\(A\)](#).
- B. A TAGD area representative may designate an alternate voting member for Executive Committee meetings the Area Representative is unable to attend. Such designation shall be made to the President in writing (mail or e-mail) in advance of the meeting.

Article 13.0: STANDING COMMITTEES / BOARDS

Membership on all alliance committees shall normally be limited to district members. For specific projects, after being specifically authorized by the Executive Committee, associate members may serve on an alliance committee.

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The Alliance will maintain the following standing committees:

A. EXECUTIVE---This committee shall be comprised of the elected officers of the Alliance, the immediate past President of the Alliance, one (1) member elected from each TAGD area (map in Appendix B) that is not represented by another member of the Executive Committee. Members of the Executive Committee must be eligible to vote under Article 8.0. This committee shall be responsible for filling vacancies of officers, and other matters as granted by the Alliance including:

1. Having the power and authority to represent the alliance during a session of the State Legislature.
2. Gathering information and making decisions for the Alliance as directed by the membership.
3. Reviewing, adopting, and taking action on the financial affairs of the organization, including budget modifications and expenditures that are within overall budget limitations.
4. Performing other duties and responsibilities deemed necessary by the membership.

B. INFORMATION / EDUCATION---This committee shall be responsible for:

1. Gathering information and formulating plans and programs to promote TAGD and its members.
2. Disseminating information including the Alliance survey and constitution along with a membership list and name of contact person to prospective new districts and newly formed districts.
3. Maintaining a dialog with public officials to educate them to the benefits of groundwater conservation districts.
4. Contacting districts that have been declared non-operational by the state auditor under provisions of Section 36.302 Texas Water Code and offer support to the district in an effort to help it regain operational status.
5. Performing other duties and responsibilities deemed necessary by the membership.

C. FINANCE / BUDGET---This committee shall be comprised of the current treasurer, the Vice-President, and three (3) members of the Alliance appointed by the President. This committee shall be responsible for:

1. Formulating and presenting an annual budget for the Fiscal Year.
2. Providing for auditing the financial affairs of the Alliance as needed.
3. Selecting an outside auditor to perform a financial audit, at the expense of the Alliance, in each odd numbered year at the beginning of the new fiscal year.

D. LEGISLATIVE---This committee shall be responsible for:

1. Initiating legislative proposals, policies and resolutions for presentation to TAGD's membership.
2. Informing TAGD's membership of pending legislation of possible interest to groundwater districts.
3. Developing a position on legislation of possible interest to groundwater districts that is pertinent to the TAGD.
4. Acting on legislation with approval from the Executive Committee.

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E. NOMINATING---This committee shall consist of the current president and the two immediate past presidents. Members of the Nominating Committee shall be ineligible to run for office in the upcoming election. Nominations shall be solicited from the membership at large.

F. BY-LAWS---The objectives of this committee are to:

1. Review and consider changes to TAGD bylaws, policies, and action plans.
2. Ensure that TAGD activities and/or programs operate within the established policy guidelines.
3. Perform other duties and responsibilities deemed necessary by the membership.

G. GROUNDWATER PROTECTION---This committee shall work with the representative of the "Texas Groundwater Protection Committee" (TGPC) and assist the representative in carrying out the duties assigned him/her by the TGPC. (House Bill 1458 passed by the 71st Legislature in 1989 established the "Texas Groundwater Protection Committee" and called for a representative to be selected by the Texas Groundwater Conservation Districts Association or successor organization).

H. RAILROAD COMMISSION REGULATORY REVIEW---The objectives of this committee are to maintain regular contact with the Texas Railroad Commission to discuss and affect groundwater issues.

I. SOIL AND WATER CONSERVATION---The objectives of this committee are to:

1. Provide a representative from TAGD on any federal or state committee relating to agriculture,
2. Gather information on agriculture activities for distribution to the TAGD membership, and
3. Provide input into agriculture in areas that may be of interest to groundwater districts.

Article 14.0 SUPPORT FOR OTHER ORGANIZATIONS

MEMBERSHIP---The Alliance may become a member of other Texas or national organizations and pay applicable and necessary membership dues only when such membership would further the purpose and mission of the Alliance and when sufficient funds for such dues have been budgeted. Upon a written proposal of membership from a GCD Member to the Secretary of the Alliance with a copy to the Executive Director, the matter will be placed on the agenda of the next quarterly business meeting of the Alliance. An affirmative vote of 2/3rds of the members present at the meeting where the vote occurs is required to approve the membership in the organization.

FINANCIAL ASSISTANCE---The Alliance may contribute financial assistance to an organization for the purpose of research or studies related to groundwater conservation or management in Texas only when such contribution would further the purpose and mission of the Alliance and when sufficient funds for such dues have been budgeted. Upon a written proposal of support, including the proposed amount of financial assistance and a summary of benefits to TAGD and its members, from a GCD Member to the Secretary of the Alliance with a copy to the Executive Director, the matter will be placed on the agenda of the next quarterly business meeting of the Alliance. An affirmative vote of 2/3rds of the members present at the meeting where the vote occurs is required to approve the financial assistance proposal.

NON-MONETARY SUPPORT---The Alliance may lend non-monetary support to a groundwater research effort or project related to groundwater conservation or management in Texas only when such support would further the purpose and mission of the Alliance. Upon a written

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proposal of support from a GCD Member to the Secretary of the Alliance with a copy to the Executive Director, the Executive Committee may vote on whether or not to provide the non-monetary support as described in the proposal.

Article ~~15~~.0: CONTRACTS

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A majority of the membership present at a regular or special meeting of the Alliance may authorize any officer or member of the Alliance to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Alliance and such authority may be general or confined to specific instances.

Article ~~16~~.0: LOANS

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No loan may be contracted on behalf of the Alliance, including no evidence of indebtedness may be issued in the Alliance's name, unless authorized by a majority vote of the membership. A vote to authorize issuance of a bank card or credit card in the name of the alliance thereby authorizes the use of that card up to the debt limit approved by the membership. This Article does not apply to limit any provision of a grant either made by or accepted by the Alliance.

Article ~~17~~.0: DEPOSITS

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All funds of the Alliance shall be deposited from time to time to the credit of the Alliance in such banks that are accredited and insured by the FDIC.

Article ~~18~~.0: GIFTS

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The Alliance may accept any contribution or gift for the general purposes or for any specific purpose of the Alliance.

Article ~~19~~.0: OPERATING EXPENSES

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The operating expenses of the Alliance shall be defrayed by funds from annual dues, fees, special projects, service contracts, contributions, reserves, or any other monies received by the Alliance. The Alliance shall endeavor to keep at least 50 percent of total budgeted expenses in retained earnings on an annual basis.

Article ~~20~~.0: INDEMNIFICATION OF OFFICERS AND EMPLOYEES

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The officers and any employees of the Alliance shall not be individually or personally liable for the debts or obligations of the Alliance and shall be indemnified by the Alliance against all financial loss, damage, costs and expenses (including counsel fees) reasonably incurred by or imposed upon them in connection with or resulting from any civil or criminal actions, suit, proceeding, claim or investigation in which they may be involved by reason of any action taken or omitted to be taken by them in good faith as such officer or employee of the Alliance.

- A. Prudent Care. Such indemnification is subject to the condition that a majority of the members shall be of the opinion that a person involved exercised and used the same degree of care and skill as a prudent man would have exercised or used under the circumstances, or that such person took or omitted to take such action in reliance upon advice of counsel for the Alliance or upon information furnished by an officer or employee of the Alliance and accepted in good faith by such person.
- B. Benefit. The indemnification provided herein shall inure to the benefit of the heirs, executors, or administrators of any officer or employee and shall not be exclusive of any other rights to which such party may be entitled by law or under any resolutions adopted by the members.

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Article ~~21~~.0: FISCAL YEAR

The fiscal year of the Alliance shall begin on October 1 of each year and end on September 30 of the following year.

Amended and approved by a two-thirds majority of the membership on ~~August 27, 2013~~.

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Kathy Turner Jones, President

W. F. (Kirk) Holland, Secretary

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**Contractual Agreement for Financial Bookkeeping Support Services Between
Lone Star Groundwater Conservation District
and
Texas Alliance of Groundwater Conservation Districts**

This contract, if agreed upon, between the Lone Star Groundwater Conservation District ("District"), 655 Conroe Park North Drive, Conroe, Texas 77303; and the Texas Alliance of Groundwater Districts (TAGD) is made with an effective date of October 1, 2012, and will terminate no later than September 30, 2013.

Section I

Scope, Level of Effort, and Compensation

Scope and Level of Effort

The scope of services by the District will generally be financial bookkeeping support provided by District bookkeeping staff to TAGD, primarily in the following areas:

1. Annual invoicing for membership dues
2. Assisting with budgetary preparations
3. Daily posting of invoices and payments applied to accounts
4. Daily bank deposit by remote scanner
5. Tracking meeting registrations for host Districts/ED
6. Monthly bank reconciliations of money market account, operating account, and certificate of deposits
7. Preparation of monthly financial statements for membership review
8. Monthly & Quarterly review and schedules of certificate of deposit
9. Daily posting of accounts payable invoices and payments to vendors
10. Preparation and liaison with auditor/accountant during preparation of annual tax return
11. Preparation of audit for auditors
12. Monitor non-voting membership applications for eligibility expiration
13. Maintaining membership contact and billing information
14. Notifying TAGD Secretary and ED of new membership applications
15. Providing financial support as needed by the Treasurer
16. Daily backup of financial accounting computer information
17. Filing of vendors and customers

The level of effort associated with these tasks is varied depending on the time in point, but generally the parties agree that it will average about 4-5 hours a week, or 20 hours monthly. It is recognized that there will be some weeks where little or no time will be expended, and other periods where considerably more than the average will be required.

Compensation

For the financial bookkeeping support services and level of effort described above, TAGD will reimburse the District at a retainer rate of \$300 per month, or \$3600 for the term of this Agreement. This is based on the average level of effort established above and on a portion of the District's employee cost.

TAGD will reimburse the District for any out of pocket expenses incurred on TAGD's behalf in executing the scope of services.

The retainer and reimbursement of other direct costs will be invoiced monthly with backup documentation provided.

Section II

Term

The District will continue Financial Bookkeeping Support services to TAGD performing the tasks set forth in Section I. The period of performance of the Agreement will be twelve (12) months, unless extended by written agreement of both parties. While the District is performing the scope of services, the contract will remain in full force and effect. The period of performance terminates on September 30, 2013, and this contract will terminate when the payment of the final invoice is made, unless terminated earlier by either party upon 5 days written notice, or extended by mutual assent in writing. TAGD will compensate the District for authorized services rendered to TAGD up to the date of termination.

Section III

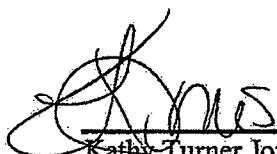
Relationship of Parties

The District is not to be considered to be an agent or employee of TAGD and TAGD is not considered to be an agent or employee of the District; neither is entitled to participate in any pension plans or similar benefits that the other provides its employees. Ms. Kathy Turner Jones, District General Manager, will be the District representative for managing the contracted work

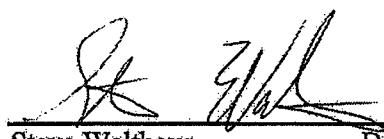
and liaison with TAGD. Mr. Steve Walthour, TAGD Treasurer, will be the TAGD representative providing oversight and direction to the District.

The parties have executed this agreement in Austin, Texas, on the 28 day of August, 2012.

**For Lone Star Groundwater
Conservation District:**

 9/17/12
Kathy Turner Jones Date
General Manager, LSGCD

**For Texas Alliance of Groundwater
Districts:**

 9/20/2012
Steve Walthour Date
Treasurer, TAGD

TEXAS ALLIANCE OF GROUNDWATER DISTRICTS

Summary of Finance and Budget Committee Meeting

Friday, July 12, 2013, 10:00 am (Via Conference Call) (as amended)

Finance and Budget Committee members Steve Walthour, Lonnie Stewart, and John Martin were on the call. Also present were Kathy Turner Jones, Daphne Walker, and Stacey Steinbach. Absent Committee members were David Van Dresar and Janet Guthrie. The committee took the following actions:

1. Propose the attached budget to the membership for approval in August
2. Recommend the elimination of the dinner option at TAGD quarterly meetings and instead adopt the following registration fees structure that will include a reception with heavy hors d'oeuvres or a dinner (depending on meeting location):
 - TAGD Member Registration (Early Bird Rate): \$120
 - TAGD Member Registration (Late Rate): \$150
 - Non-TAGD Member Registration (Early Bird Rate): \$165
 - Non-TAGD Member Registration (Late Rate): \$195
3. Offer three options to members for meeting the next FY budget needs, as shown in the attached spreadsheet.
4. Recommend that the Bylaws Committee bring an amendment to TAGD's Bylaws to the next TAGD meeting stating that TAGD endeavor to keep at least 50% of total budgeted expenses in reserves on an annual basis.

TAGD FY 14 Proposed Budget with Options
Approved by Finance and Budget Committee on July 12, 2013 (with amendment)

Agenda Items J and K
(2 of 2 documents)

Income				FY 12/13	Current as of 6/30	FY 13/14 Option 1	FY 13/14 Option 2	FY 13/14 Option 3
	Membership Dues							
	District Members			40,000.00	40,750.00			
	Associate Members			16,000.00	17,800.00	94,250.00	100,000.00	95,750.00
	Meeting Income							
	Quarterly Meetings (Gross)			27,000.00	25,643.13	23,000.00	23,000.00	23,000.00
	PFA Training (Gross)			4,000.00	5,850.00	4,000.00	4,000.00	4,000.00
	Summit (Net)			15,000.00		30,000.00	30,000.00	30,000.00
	Interest Income			300.00	293.81	300.00	300.00	300.00
Total				102,300.00	90,336.94	151,550.00	157,300.00	153,050.00
	Income from Reserves			13,088.25	-	16,450.00	10,700.00	14,950.00
Total Income				115,388.25	90,336.94	168,000.00	168,000.00	168,000.00
Expenses								
	Quarterly Meeting Expenses			17,500.00	11,517.28	10,000.00	10,000.00	10,000.00
	ED Salary, Taxes, and Benefits			76,088.25	56,997.92	76,000.00	76,000.00	76,000.00
	Staff Salary, Taxes, and Benefits			-	-	53,000.00	53,000.00	53,000.00
	Contract Expenses (TLS, Bookkeeper, Audit, Insurance, PFA)			8,200.00	6,788.95	10,000.00	10,000.00	10,000.00
	Office and Supplies			8,100.00	5,345.44	13,000.00	13,000.00	13,000.00
	Conferences, Travel, Other Outreach			5,500.00	3,820.91	6,000.00	6,000.00	6,000.00
Total Expenses				115,388.25	84,470.50	168,000.00	168,000.00	168,000.00

Option 1: GCD membership dues based on annual budget sliding scale, starting at \$500; Associate member dues based on entity type

GCD Member Budget	Member Dues	# of GCDs	Total Income	Associate Members	Member Dues	Associates (est.)	Total Income
\$0 - \$99,999	500.00	17	8,500.00	Individual/Sole Proprietorship	500.00	4	2,000.00
\$100,000-\$249,999	750.00	27	20,250.00	501(c)(3)/Educational Institution	750.00	1	750.00
\$250,000 - \$499,999	1,000.00	17	17,000.00	Non-GCD Gov't/Corp. budget <\$500K	1,000.00	5	5,000.00
\$500,000 - \$999,999	1,250.00	8	10,000.00	Corp. budget \$500K-\$1M	1,250.00	3	3,750.00
\$1,000,000 and up	1,500.00	11	16,500.00	Corp. w/ budget \$1M+	1,500.00	7	10,500.00
Total		80	72,250.00	Total		20	22,000.00
					Total Dues Income	94,250.00	

Option 2: membership dues based on across the board amount

	Members	Member Dues	Total Members	Total Income			
	GCD Members	1,000.00	80	80,000.00			
	Associate Members	1,000.00	20	20,000.00			
	Total		100	100,000.00			

Option 3: membership dues based on number of employees, starting at \$500 (round up for part-time employees)

	Member Dues	GCD Members	Assoc. (est.)	Total Members	Total Income		
0-1 Employee	675.00	18	6	24	16,200.00		
2-5 Employees	925.00	52	3	55	50,875.00		
6-9 Employees	1,175.00	5	0	5	5,875.00		
10+ Employees	1,425.00	5	11	16	22,800.00		
Total		80	20	100	95,750.00		

Agenda Item N

Texas Alliance of Groundwater Districts Nominations Committee Recommendations For 2013-2015 Terms

Position	Nominee	<u>TAGD Area</u>	<u>Current TAGD Rep</u>
President-	Kathy Turner Jones	Upper Gulf Coast	Kathy Jones
Vice President-	Bob Patterson	North Texas	Joe B. Cooper
Treasurer-	Steve Walthour	Ogallala	Steve Walthour
Secretary -	Leah Adams	Upper Carrizo	Gary Westbrook
Parliamentarian-	Zach Holland	Upper Gulf Coast	Kathy Jones
Past President-	Janet Adams	Far West Texas	Janet Adams

If the above slate is elected, the following TAGD Areas will need to elect a representative to the Executive Committee [current representative is included in parentheses):

Edwards Carrizo (Kirk Holland)
Lower Edwards-Trinity (Ron Fieseler)
Lower Gulf Coast (Tim Andruss)
Upper Edwards Trinity (Cindy Weatherby)

This will result in 10 members on the TAGD Executive Committee.



Executive Director's Report - August 2013 TAGD meeting

Administrative and Financial

I have included June 2013 financials in member packets. As you can see, we are within budget for all categories. In addition, because the end of our fiscal year includes the Texas Groundwater Summit, we expect overall expenses to remain constant while we hope to see a jump in revenue, as occurred last year.

At the August meeting, members will be asked to approve 2013-2014 District Membership dues, Associate Membership dues, and quarterly meeting registration fees. As you can see in board packets, I have included a memorandum related to changing the quarterly meeting setup so that a networking reception with hors d'oeuvres is included in the costs of registration. I also outline the need to find some support, either through contract labor or another employee. It's my recommendation that TAGD try to hire a Program Director, someone who can assist with meeting preparation and administrative tasks, but who can also help with GCD research and legislative matters, work on grant opportunities, and conduct outreach. I feel confident that such support will much improve TAGD's programs and services, providing a better experience for all members. The Finance and Budget and Executive Committees have discussed these options at length, and you will see that the proposed 2013-2014 budget has three options for meeting the proposed costs that would accompany such an expansion, including a modest office space for co-working. The committee looked at other trade association membership models in implementing the various formulas behind each of these options. In addition to my memorandum, you can obtain more background from the meeting summaries for Executive Committee and Finance and Budget Committee meetings that have occurred since our last quarterly meeting, all included in board packets.

As many of you have seen, Liz Hoover has been doing weekly news updates again for TAGD. She is still very busy with school and work, so we are happy to have her continue this effort for us in order to stay in the loop.

Membership

Currently, TAGD has 82 District Members and 24 Associate Members. Please take a moment to check our website list of members and let us know if anything needs updating. In early October, we will again start the process of updating our GCD Database, and making it an even stronger tool for GCDs and the public. If you have any suggestions for additional categories of information, please let me know. We have had some recent questions related to general salary information, so we may add that metric (but keep it off the website version) if you all think it will help in your own budget preparations.

The Bylaws Committee has approved Bylaws amendments related to support for other organizations, honorary memberships, and retained earnings. These proposed changes will be up for approval at the August meeting. We will also be discussing the possibility of using last year's Executive Committee retreat as a springboard for creating a strategic plan to help identify TAGD's goals and objectives over the next 5-10 years.

As you all know, members will also be electing a new slate of officers and Executive Committee members at the August meeting. The results of the Nominations Committee process are included in board packets. Members will also be signing up for committees at the August meeting, so review the website and please consider joining us on one or more committees!

Legislative and Agency Matters

I have completed a Legislative Wrap Up for the Texas Water Journal, and that document is available on our website and in board packets. Now we move on to interim charges and related matters! When the charges are available, I will post them on our website and e-mail them to members. Some of you may be called on to participate in these processes or provide testimony at hearings. We will also participate in stakeholder meetings on subjects that are expected to be back up during the 84th Legislative Session, and are considering creating sub-committees to dive further into these issues.

Groundwater-related rulemaking procedures. In July, TWDB released some explanatory report guidance for GCDs, and we will be following up on any rulemakings that come out of the 83rd Session. In addition, the RRC will be holding two informal rulemaking workshops on August 21, 2013 in order to receive public input and consider comments regarding future amendments to 16 Texas Administrative Code §§3.9, relating to Disposal Wells; 3.36, relating to Oil, Gas, or Geothermal Resource Operation in Hydrogen Sulfide Areas; and 3.46, relating to Fluid Injection into Productive Reservoirs. Draft rules should be available on the RRC's website on August 12th. The workshop will be held at the William B. Travis Building room 1-100 (located at 1701 North Congress Avenue). Identical sessions will be held from 8:30-11:30 am and from 1:00-4:00 pm.

Outreach and Education

In June, I provided a legislative update with Emily Rogers at the TWCA Mid-Year Conference. In September, I will speak at three events: the Texas Aggregates and Concrete Association's Annual Environmental Seminar in San Antonio, the Texas Desal 2013 Conference in Austin, and the Farm and Food Leadership Conference in Bastrop. I continue to serve on the Water Conservation Advisory Council and attend monthly meetings.

In addition to increasing our presence on Twitter, the website continues to be an important outreach tool for TAGD. The "members only" sections seem to be working well, with a lot of visitors logging into that page and our 83rd Legislative Session page. Please let me know if you have any website suggestions! We have modified the "job postings" section of the website to include GCD requests for qualifications and proposals, with the hope of helping GCDs reach broader audiences.

TAGD Meetings

We had a great turnout at our May quarterly meeting and Public Funds Investment Act training. We will continue to offer that training every May or June, so mark your calendars! If you have suggestions for additional training opportunities, please let me know.

Much of my time the past two months has been devoted to planning and preparing for the Texas Groundwater Summit. As of August 9th, we have 261 registered attendees, 11 sponsors, and 15 exhibitors for the Summit. We are so excited for this conference and hope you all have a great time hearing about the latest developments in groundwater management! I am very grateful to those of you who have provided support for the summit, and particularly our Groundwater Summit Planning Committee: Janet Adams, Kirk Holland, Zach Holland, Jim Polonis, Laura Raun, Lonnie Stewart, David Van Dresar, Steve Walthour, and C.E. Williams.

The next TAGD meeting will be October 29-30 in historic downtown Cleburne! We are very excited to be at the Liberty Hotel there and are grateful to Prairielands GCD for hosting us. Hotel and venue information will be available on our quarterly meetings webpage very soon.

MEMORANDUM

TO: TAGD Executive Committee
FROM: Stacey Steinbach, Executive Director
DATE: July 1, 2013
RE: TAGD Personnel Needs

The purpose of this memorandum is to identify TAGD's administrative and staffing needs for the FY 13/14 and 14/15 fiscal years. TAGD's Executive Director role has grown in recent years, and the required duties now extend beyond the work of one full-time employee. Current duties include, but are not limited to:

- Respond to inquiries from the public, state agencies, and media
- Respond to inquiries from GCDs
- TAGD Board management, including scheduling and administering committee meetings
- All things legislative, including bill summaries, legislative reports, legislator and staff outreach, hearing testimony, stakeholder group participation, Legislative Committee meetings, and (in the future) legislation drafting
- Participate on relevant boards/meetings, such as Water Conservation Advisory Council
- Give presentations at water conferences and CLEs on behalf of TAGD
- Maintain the Google groups
- Plan and publicize TAGD quarterly meetings, including hotel contracting, performing pre-meeting and on-site administrative support, providing membership, legislative, and other updates, soliciting speakers and other programs, and preparing meeting backup materials, including meeting agendas and minutes
- Plan and publicize the Texas Groundwater Summit
- Conduct GCD research and provide summaries to members
- Develop and maintain TAGD's GCD database
- Maintain TAGD's website and calendar
- Utilize TAGD's social media
- Recruit and welcome new members
- Draft articles and newsletters for water-related publications
- Administer TAGD's professional services contracts
- Develop annual reports and monitor TAGD's financial statements
- Verify and maintain TAGD's membership list
- Distribute relevant information to TAGD members
- Identify and follow up on outreach opportunities

As you know, many of those tasks were placed on the back burner or significantly minimized during the legislative session, when tracking bills, keeping members informed, and providing feedback on legislation made for a full-time job. Even outside of the session, performing all of those tasks within a 40-hour workweek can be challenging. Many tasks could be expanded or improved upon with the help of an additional employee or contract help. Furthermore, TAGD has not yet been able to branch out into the following areas due to a lack of personnel resources:

- Create monthly GCD articles and other outreach pieces for the TAGD website and other venues
- Develop outreach materials for TAGD booths at conferences and exhibitor shows
- Research grant opportunities and make grant applications (in order to offset the cost of additional staff or consultants)
- Develop additional, small-scale training programs for GCD GMs and board members (open meetings, public information, technology, board ethics, groundwater 101, etc.)
- Attend and keep track of GMA and RWP meetings
- Increase presence on social media and news outlets
- Organize and streamline current GCD data, identify additional research needs, and carry out additional GCD-research

Short-Term Solutions (TAGD Quarterly Meetings)

In the short term, we should implement the following low/no-cost options to address the staffing needs related to TAGD quarterly meetings:

1. Online Registration. I have been researching options for online registration in connection with quarterly TAGD meetings. There may be a minor cost if we can't use Google forms, but this solution would allow attendees to register online through a simple process and receive an e-mailed invoice that they could then use to send payment to TAGD's bookkeeper. This solution would eliminate the need for data entry of attendee information, create an automatic spreadsheet of attendee information that all TAGD administrative personnel could access at any time, reduce confusion that occurs when attendees mail registration forms to different addresses, and get rid of the delay between sending and receipt of registration forms.
2. Elimination of Dinner Option. One of the most popular features of our quarterly meetings is the evening networking event. However, in the past year, more attendees are participating in the happy hour reception prior to the dinner and skipping the dinner itself. In addition, the dinner makes meeting planning and organization more challenging, because we are required to commit to a certain amount of food and beverage expenditures with the hotel, and it is impossible to calculate dinner numbers when contracting with the hotel months before the event. We are scrambling to get numbers even a week before the meeting, as some people add the dinner the day of the event. Shutting off dinner registration at a time certain doesn't make sense when more attendees makes for a better experience for all.

Because most of the "networking" happens during the happy hour reception, and in an effort to streamline/add certainty to costs, I'd recommend eliminating the dinner option, but incorporating an actual TAGD reception with heavy hors d'oeuvres and perhaps a drink ticket. We would include the per person cost of the reception in the cost of meeting registration. This way, GCDs and consultants can go to dinner afterward or stay at the hotel in groups (though there would likely be enough food at the reception for most to make a dinner of it). It also provides a way to recapture some of the additional coffee/beverage expenditures we are now incurring and limits surprise costs at meetings (we had to pay additional room rental fees at our last meeting because we didn't meet our food and beverage minimums). Recommended pricing is shown below.

3. Increase Penalties for Late Registration. One of the administrative difficulties in preparing for meetings is last-minute registrations. With one staff member responsible for making nametags, preparing registration lists, and confirming dinner

accommodations, quarterly meetings often require late hours on redundant tasks to address this issue in the week leading up to the meeting. The \$23.75 late fee just doesn't seem to be enough to encourage some members to register early. Late registrations might not be a big issue if TAGD had additional help, but between TAGD's ED, bookkeeper, and President, this issue is overwhelming in the day or two before the meeting when these individuals should be preparing for the substance of the meeting.

In light of those recommendations, proposed registration fees for the FY 13-14 year are:

TAGD Member Registration (Early Bird Rate): \$120

TAGD Member Registration (Late Rate): \$150

Non-TAGD Member Registration (Early Bird Rate): \$165

Non-TAGD Member Registration (Early Bird Rate): \$195

Long-Term Solutions

In the long term, TAGD should consider more significant actions to address the personnel shortage outlined above. The following options represent possible solutions, budget limitations notwithstanding.

1. Contract with an Event Management Company to Organize and Manage TAGD Meetings

As described above, one of the most time-consuming tasks leading up to a TAGD quarterly meeting is meeting administration. In 2013, TAGD experimented with utilizing an event management company to help with pre-meeting tasks and provide on-site personnel to man the registration booth. For the May 2013 meeting, that cost ran just over \$1,100. In the future, this relationship could include handing over nametag and printing responsibilities, contracting with hotels, and all other administrative specifics related to the meeting.

We have received a draft proposal from Innovation Event Management (IEM), the company that helps us produce the Texas Groundwater Summit. They have agreed to provide the quarterly meeting services described above at their discounted rate of \$55/hour in exchange for a 3-year contract with TAGD to produce the Texas Groundwater Summit (on the same terms as our current contract). The benefit of such an arrangement is that it doesn't include a minimum cost, though turnkey pricing would probably run around \$2500/meeting, for a total cost of \$7500/year. We can solicit additional proposals from other companies for price comparison.

2. Hire Another Employee or Contract Labor

This option would provide the most comprehensive means for addressing the needs described above, and would help solidify TAGD's role across the state and at the Capitol. The ideal candidate would be a solid technical writer with some legislative-based experience and an interest in outreach. As with all non-profit positions, the candidate would need to be willing to perform administrative work and assist in planning/preparing for TAGD meetings. During session, this employee could assist with tracking bills, drafting summaries, organizing Legislative Committee meetings, and participating on stakeholder groups.

One attractive element of this position is the possibility of finding grant money to fund all or a portion of the position, particularly the percentage of the position that is involved in training GCD staff/board members or participating in outreach efforts across the state. While it's significantly more expensive than the other options, the work product would be exponentially more. Cost estimates range from \$30,000 (part-time contract labor) to \$53,000 (full-time employee), including taxes and benefits. TAGD may be able to avoid the need for office space in the short-term, as the attractive element of the position would be work flexibility and the ability

to work from home. In the alternative, TAGD could locate an all-inclusive executive office for approximately \$500/month.

3. Hire a Contract Lobbyist or Legislative Aide During the Legislative Session

Another option would be to hire help during the Legislative Session only. This person could be strictly a “lobbyist” who would testify on bills, participate in stakeholder meetings, and visit Legislators and their staff, or the short-term hire could be someone who could help with tracking bills, drafting summaries, and organizing Legislative Committee meetings. It’s likely that all the bills that failed during the 83rd session and more will be filed next session, so help in some capacity in 2015 is a must. One thing that we need to consider is TAGD’s 501(c)(3) status. Hiring a high-powered lobbyist at \$20K plus could impact our ability to continue to be a 501(c)(3) (in addition, it may not be the image TAGD want to present at the Legislature.)

Legislative Wrap-Up
83rd Legislative Session
Stacey A. Steinbach
Texas Alliance of Groundwater Districts

Unlike in previous sessions, it was no surprise when the 83rd Legislative Session was inundated with water bills, particularly when it came to water infrastructure financing. Certainly, the largest water issue during 2013 – and one of the biggest overall this session – was providing a mechanism for adequately funding the State Water Plan. Through the passage of two bills and one resolution, Texas Legislators took an important, even revolutionary step toward meeting the long-term water needs of the state.

From the groundwater management perspective, the “beginning” (the bill filing deadline) and end of session painted very different pictures. Of the 150-plus bills tracked by TAGD, nearly two dozen would have significantly impacted Groundwater Conservation District (GCD) operations and authorities in this state. In prospect, those bills loomed as large as bills filed during the 82nd Legislative Session, when groundwater ownership, Texas Water Development Board (TWDB) sunset review, and an overhaul of the desired future conditions (DFC) process was on the agenda. Even still, and despite efforts of legislators, staffers, and stakeholders to reach consensus, almost all of the groundwater bills filed this session failed to make it to *Sine Die*. In fact, just two housekeeping-type groundwater bills made it to the Governor: SB 1282, extending the deadline for proposing the next round of DFCs to May 1, 2016, and HB 1563, increasing the maximum fees of office for a GCD Board Member from \$150/day to \$250/day (with the annual cap remaining at \$9,000).

What Didn't Pass

With so few groundwater bills that passed and so many that garnered attention, it is likely that what didn't pass this session is just as important – if not more so – than what did pass. These bills covered a myriad of notable issues, including brackish groundwater utilization, aquifer storage, groundwater use reporting requirements, long-term permitting, well construction standards and enforcement, DFC appeals, and hydraulic fracturing. Of these, bills related to brackish groundwater, long-term permitting, and hydraulic fracturing received a great deal of stakeholder attention and gained momentum at some point in one or both chambers. Perhaps more than in previous sessions, there also seemed to be multiple, competing bills filed on these three subjects, each with a different approach or philosophy.

Groundwater and Hydraulic Fracturing

Like many states, gas exploration and development in Texas has increased dramatically over the past 10 years. Of TAGD member GCDs with hydraulic fracturing in their jurisdictions, half are experiencing significant activity and nearly three-fourths are observing impacts to groundwater as a result of fracturing activities. But recently, a debate has emerged over a GCD's ability to require a permit for groundwater withdrawals related to hydraulic fracturing. Though some GCDs require permits without difficulty, others waive permit requirements out of concerns related to varying interpretations of the exemption described in Texas Water Code § 36.117(b)(2).

A look at the plain language and legislative history of this section supports the notion that the exemption language was not intended to encompass continuing oil and gas operations, of which hydraulic fracturing is a non-conventional example. But because the exemption language was adopted before the hydraulic fracturing boom in this state, these operations are not specifically addressed, and the exemption's applicability is being inferred in various ways. Ultimately, an interpretation that withdrawals related to fracturing activities are exempt from permit requirements creates a situation where these significant users of groundwater are exempted from regulatory requirements that all other significant users of groundwater must follow. This interpretation results in a greater regulatory burden for some users – agriculture, municipal, industry – and not others.

Three bills aimed to resolve the confusion this session, and one bill, SB 873, passed the Senate after being amended on the floor to include language to address oil and gas industry concerns. That bill would have expressly authorized a GCD to require a permit for oil and gas-related groundwater withdrawals, while at the same time incorporating an "interim permit" concept to ensure that operations would not be delayed during the permitting process. Though the bill failed to move in the House, it likely presents a positive starting point for resolution of this issue during the next session.

Long-Term Permitting

Questions related to long-term groundwater permitting continue to garner attention at the legislature. With the recent drought, water-supply certainty is more important than ever, and a few large water providers have been pushing for a statewide requirement for long-term or automatically renewed permits (though some GCDs already incorporate such concepts in their rules). Proposed solutions during the 83rd Session ranged from thirty-year operational permits for transporters to automatic permit renewals with proportional cutbacks when "conditions" change. Though stakeholders could generally agree with the latter approach, they could not reach consensus in fully defining the changed "conditions" and other details related to implementing cutbacks.

A GCD's mandate to balance private property rights, the highest practicable level of groundwater production, and conservation of the aquifer necessitates some flexibility for GCDs in managing this subsurface resource, especially in light of the court opinion in *Edwards Aquifer Authority v. Day*. All parties agree that no GCD can guarantee a certain level of groundwater availability for 30 years into the future and that arbitrary cutbacks should be (and already are) prohibited. But finding specific language that satisfies the needs of long-term groundwater investors and adequately addresses a GCD's local needs in accordance with statutory requirements has been challenging.

"Brackish" Groundwater

The groundwater issue that received the most attention during this session was brackish groundwater utilization, including desalination and aquifer storage and recovery. Early versions of filed bills would have essentially deregulated groundwater with a total dissolved solids (TDS) level of 1,000 parts per million (ppm) or more in order to promote its treatment and use.

Many GCDs had concerns with such a management strategy for numerous reasons; the most significant being that "brackish" groundwater is often hydrologically connected to other sources of groundwater. Production of such water may cause freshwater levels to drop or actually affect the quality of freshwater as the hydraulic pressure regimes change. Another important concern was that in some areas of the state, groundwater now being used without advanced desalination treatment and being managed by GCDs would be considered "brackish" under such a definition and therefore could no longer be managed by the GCD. Additionally, because a TDS concentration cannot be determined until after a well is drilled, and even then the concentration can fluctuate over the life of the well, a bright-line numerical definition creates a "chicken and egg" scenario that actually inhibits the certainty that most parties are seeking.

Legislators, staffers, and stakeholders worked hard on this issue during session and though no legislation passed, all came to agree that hydrological connection to currently used sources of groundwater is a more important demarcation than an arbitrary TDS level that has different significance in different parts of the state. One bill, HB 2578, as amended, would have incorporated concepts of "brackish groundwater production zones" to be identified by TWDB, with the assistance of GCDs and other stakeholders. In those areas, GCDs would be required to issue permits with 30-year permit terms and unlimited production, unless the GCD could show that cutbacks were necessary to respond to a significant change in aquifer levels or adverse effects to water quality. Though the bill didn't address all stakeholder concerns, the concept of identifiable, "distinct" brackish groundwater zones based on scientific research likely makes for a good launching point for stakeholder discussions during the interim. The upside to this

issue is that there is a general consensus among all stakeholders that utilization of brackish groundwater needs to be incorporated as a new water-supply strategy wherever feasible.

What Did Pass

In addition to the bills/resolution related to funding the State Water Plan and the bills that amended the DFC proposal deadline and increased maximum fees of office for a GCD board member, the following bills that may impact groundwater management passed during the 83rd Legislature. This list is not intended to be exhaustive, and merely provides a starting point for legislative research by interested individuals.

New GCDs

- SB 1835: extends the deadline for the confirmation election for the Calhoun County GCD to December 31, 2016 and authorizes a tax if approved by voters.
- SB 980: creates the Reeves County GCD and authorizes a tax, subject to voter approval before December 31, 2018.
- SB 1840: creates the Deep East Texas GCD (consisting of Shelby, San Augustine, and Sabine Counties) and authorizes a tax, subject to voter approval before September 1, 2015.

Water Conservation/Drought

- HB 252: Requires a retail public utility and any of its wholesalers to notify TCEQ when they reasonably believe that less than 180 days of water is available.
- HB 857: Requires retail public utilities serving more than 3,300 connections or receiving financial assistance from TWDB to conduct an annual water loss audit (other retail public utilities are still on a 5-year schedule)
- HB 1461: Requires retail public utilities to provide notification of water loss to customers after each water loss audit.
- HB 3604: Requires utilities to implement water conservation plans and drought contingency plans when a disaster emergency is declared due to drought.
- HB 3605: Requires TWDB to review a utilities' compliance with its water conservation plan when considering financial assistance applications from retail public utilities serving more than 3,300 customers.
- SB 1: Provides appropriations for water conservation grants, including \$1.5 million per year for two years to the Agricultural Water Conservation Grant Program to be used for grants to GCDs that require meters in order to offset half the costs to well owners of installing those meters.
- SB 198: Prohibits a homeowner's association from prohibiting xeriscaping, though the association can require plans to be pre-approved.
- SB 654: Clarifies that a municipality may bring a civil action for enforcement of an ordinance relating to water conservation.

- SB 662: Adds representatives of the Public Utility Commission of Texas and Electric Reliability Council of Texas to the Drought Preparedness Council.

Open Meetings/Open Records

- HB 2414: Provides specifications for general videoconference meetings.
- SB 293: Authorizes a “water district” covering 3 or more counties to hold a meeting via telephone or videoconference if it is a special called meeting, immediate action is required, and a quorum at one location would be difficult to obtain.
- SB 471: Authorizes the use of electronic recorders for the official recording of open meetings.
- SB 984: Provides specifications for videoconference meetings when the government entity is statewide or covers three or more counties.
- SB 1297: Allows public officials to communicate between meetings on Internet message boards maintained by the governmental body and visible to public.
- SB 983: Provides for an “in camera” review of information at issue in a public information lawsuit.
- SB 1368: Defines public information as it relates to contracts between non-government entities and government entities.

Looking Ahead

If the number and scope of unsuccessful bills during the 83rd Legislative Session are any indication, 2015 will be a busy year for those interested in groundwater management. During the interim, stakeholders should continue the work they started on many of these issues with the goal of coming to the Capitol with some consensus language for consideration during the 84th Legislative Session.