

TAGD Regular Business January 2018 Meeting Materials

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**Agenda Item D: Discussion and possible action on minutes of
prior meeting**

**Minutes of
Annual Meeting
TEXAS ALLIANCE OF GROUNDWATER DISTRICTS
August 29, 2017
Embassy Suites & Conference Center, San Marcos, TX**

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.

- A. Call to Order and Welcome Address.** President Joe B. Cooper called the meeting to order at 9:34 AM on August 29, 2017 by welcoming the membership and asking Lindy Harris to give the invocation.
- B. Speaker Sessions.** Sarah Schlessinger introduced Gayla Mullins, Remote Sensing Specialist/Project Manager, Texas Natural Resources Information System.
- C. Roll Call.** Secretary Leah Adams called the roll and informed the President that 52 District Members were in attendance, comprising a quorum. A list of GCDs represented at the meeting is attached as Attachment 1.
- D. Membership update and announcement of new members.** Joe B. Cooper invited any first time TAGD meeting attendees to introduce themselves. TAGD welcomed Shelly Chapman from Clearwater UWCD, Ashley Whitaker from Panola County GCD, and Allie Nicoletti and John Dabney from Blanco-Pedernales GCD.
- E. Discussion and possible action on minutes of prior meeting.** President Joe B. Cooper presented the minutes from the last meeting. C.E. Williams made a motion to approve the minutes. Ron Fieseler seconded the motion. The motion passed unanimously.
- F. TAGD Area Election.** Joe Cooper announced the nominations from the Nominating Committee as Dirk Aaron for President, Amber Blount for Vice President, Zach Holland for Treasurer, Leah Adams for Secretary, and Jim Polonis for Parliamentarian. Sarah Schlessinger read the bylaws and announced to the membership that all ballots needed to be provided by 10 A.M. to be counted. Joe Cooper opened the floor for nominations. With no nominations being made from the floor, Gary Westbrook made the motion to accept the nominations by acclamation and Joel Pigg seconded the motion. Joe Cooper asked for any discussion and with none, the motion passed unanimously. Each newly appointed officer gave a statement about themselves.
- G. TAGD Area Caucus.** After elections, it was identified that the areas not represented by the elected officers were Far West Texas, the Lower Edwards Trinity, the Lower Gulf Coast, and the Edwards Carrizo area. Each area was given time to discuss and appoint a representative. Janet Adams was chosen to represent Far West Texas. Ron Fieseler was chosen to represent Lower Edwards Trinity. Lonnie Stewart was chosen to represent the Lower Gulf Coast and Greg Sengelmann was chosen to represent the Edwards Carrizo.

H. Discussion and possible action to approve FY 17 Q3 financial reports. President Joe B. Cooper introduced Treasurer Zach Holland to present the FY17 Q3 finances. Zach Holland presented several budget amendments recommended by the Finance Committee in order to adjust the budget more in line with income and expenses. Zach stated that the objective of the amendments were to have a budget at the end of FY17 that more realistically reflects actual income and spending, so that we can set future budgets on it. After presentation of the reports, amendments and discussion, Steve Walthour moved to approve the FY17 Q3 finances with the following amendments:

- Increase total income by \$20,000 by increasing total meeting income by \$15,000 and increasing total member dues by \$5,000
- Decrease total expenses by \$10,075 by increasing total meeting expenses by \$1000, decreasing total office expenses by \$1000, decreasing total professional services by \$7,075, and decreasing total travel/conference/dues/outreach by \$3,000.

. Alan Day seconded the motion. The motion passed unanimously.

I. Discussion and possible action on annual setting of the dues and fees of the Alliance for:

- i. Meeting registration. Zach Holland presented the Finance Committee's recommendation that there be no change to the meeting registration fees for the fees to stay the same.
- ii. Annual District Membership dues. Zach Holland presented the Finance Committee's recommendation that there be no changes to the annual District membership dues for the dues to stay the same.
- iii. Annual Associate Membership dues. Zach Holland presented the Finance Committee's recommendation that there be no changes to the annual Associate membership dues, for the dues to stay the same.

After some discussion regarding the possibility of future member dues increases, Steve Walthour made the motion to approve the recommendations from the Finance Committee to keep meeting registration fees, district membership dues, and associate member dues the same for this year. Ron Fieseler seconded the motion. The motion passed unanimously.

J. Discussion and possible action on the FY18 Budget. Zach Holland presented the proposed FY18 budget. After some discussion, Janet Guthrie made the motion to approve the budget as presented. Gary Westbrook seconded the motion. The motion passed unanimously.

K. Discussion and possible action on the dates and locations of the Regular Business Meetings. Joe B. Cooper asked Sarah Schlessinger to present the options for dates and locations of TAGD's 2018 Regular Business Meetings. After some discussion, Steve Walthour made the motion to approve the January 30-31, 2018 and the May 23-24, 2018 meeting at the Doubletree in Austin and allow the Executive Committee to review and approve the dates and hotel for the third meeting. Alan Day seconded the motion. The motion passed unanimously.

L. Officer and Committee Reports. President Joe B. Cooper asked for Officer and Committee reports:

1. Executive Director – Sarah Schlessinger provided a report on TAGD’s activities and operations. She reported that the Texas Groundwater registration numbers and projected profits Sarah also reported on TAGD’s weekly and monthly communications, the launch of a new website, and a grant application with the Mitchell Foundation. Sarah concluded with a preview of upcoming activities, including the Mobile Leadership Trainings and upcoming membership renewals and committee signups.
2. Executive Committee – Joe B. Cooper presented that since the May Regular Business Meeting, the Executive Committee held one official meeting. That meeting included the Executive Directors two year evaluation, FY17 Q3 finances and aments, discussion of the FY18 proposed budget, member dues and meeting rates, and discussion on the grant application. In addition tot his meeting, the Executive Committee also took electronic action to approve two new associate members, TAGD’s resolutions thanking legislators, and approving legislative action during special session.
3. Legislative Committee – Dirk Aaron provided a report on the Legislative Committee’s activities since the May 2017 meeting, which included one formal committee meetings to review TAGD’s legislative strategy, the outcomes of session, and a roadmap towards interim work. Dirk reported that TAGD took legislative action during the special session consistent with its position from regular session. . Dirk reminded the committee that a legislative committee meeting would be held at the close of the January 2018 regular business meeting.
4. Bylaws Committee – Jim Polonis had not report.
5. Information & Education – Beth Hood provided a report on update on the database and the website.
6. Finance Committee – Zach Holland reported the Finance Committee’s conclusion that TAGD’s needs a 5 year financial strategy in place, and that they would be meeting this fall to determine that strategy and make recommendations to the membership.
7. Groundwater Protection and Drought Preparedness– David Van Dresar had nothing to report at this time.

M. Member and GMA Reports. President Joe B. Cooper invited a representative from each GMA to provide an update on the status of their DFCs, explanatory reports, and next processes. Joe Cooper invited TAGD members to share any other reports, updates or announcements.

N. Other TAGD Business. President Joe B. Cooper recognized the members of the Conference Planning Committee and IEM staff on a great conference.. Joe B. Cooper next recognized Harvey Everhart and presented him with an honorary membership to TAGD for his years of service.

O. Election Results & Executive Committee Recognition. With the election having taken place through acclamation, Sarah Schlessinger asked all Executive Committee members to be recognized for their work and presented them with a TAGD brand for all their hard work. Vice President Dirk Aaron recognized Joe B. Cooper for his service as TAGD President, and presented him with a gift.

P. Adjournment. Victoria Whitehead Messer made a motion and C.E. Williams seconded the motion to adjourn the meeting. President Joe Cooper adjourned the meeting at 11:38 AM.

Prepared and submitted by Sarah Schlessinger, Executive Director, and Leah Adams, Secretary.

Approved by the Members on _____, 2018.

Dirk Aaron, President

Leah Adams, Secretary

Attachment 1
Members Attending the TAGD Regular Business Meeting
August 29, 2017

1. Bandera Co. River Authority and Groundwater District
2. Barton Springs/Edwards Aquifer Conservation District
3. Bee Groundwater Conservation District
4. Blanco-Pedernales Groundwater Conservation District
5. Bluebonnet Groundwater Conservation District
6. Brazos Valley Groundwater Conservation District
7. Brewster County Groundwater Conservation District
8. Brush County Groundwater Conservation District
9. Central Texas Groundwater Conservation District
10. Clearwater Underground Water Conservation District
11. Crockett County Groundwater Conservation District
12. Culberson County Groundwater Conservation District
13. Evergreen Underground Water Conservation District
14. Fayette County Groundwater Conservation District
15. Glasscock Groundwater Conservation District
16. Gonzales County Underground Water Conservation District
17. Guadalupe County Underground Water Conservation District
18. Hays Trinity Groundwater Conservation District
19. Hemphill County Underground Water Conservation District
20. Hickory Underground Water Conservation District
21. High Plains Underground Water Conservation District No. 1
22. Irion County Water Conservation District
23. Jeff Davis County Underground Water Conservation District
24. Kenedy County Groundwater Conservation District
25. Live Oak Underground Water Conservation District
26. Llano Estacado Underground Water Conservation District
27. Lone Star Groundwater Conservation District
28. Lone Wolf Groundwater Conservation District
29. Lower Trinity Groundwater Conservation District
30. McMullen Groundwater Conservation District
31. Menard County Underground Water District
32. Mesa Underground Water Conservation District
33. Mid-East Texas Groundwater Conservation District
34. Middle Pecos Groundwater Conservation District
35. Middle Trinity Groundwater Conservation District
36. North Plains Groundwater Conservation District
37. North Texas Groundwater Conservation District
38. Panhandle Groundwater Conservation District
39. Panola County Groundwater Conservation District
40. Pineywoods Groundwater Conservation District
41. Plateau Underground Water Conservation and Supply District
42. Plum Creek Conservation District
43. Post Oak Savannah Groundwater Conservation District
44. Prairielands Groundwater Conservation District
45. Real-Edwards Conservation and Reclamation District
46. Red River Groundwater Conservation District
47. Rusk County Groundwater Conservation District
48. Sandy Land Underground Water Conservation District

49. Santa Rita Underground Water Conservation District
50. South Plains Underground Water Conservation District
51. Sterling County Underground Water Conservation District
52. Sutton County Groundwater Conservation District

Agenda Item F: Discussion and possible action to approve FY17 Q4 financial reports

Notes

- TAGD's Finance & Budget Committee met on November 29, 2017 and approved the FY17 Q4 Finances with a budget amendment to increase the total budget by \$5,000 by increasing personnel by \$2,000 and total travel by \$3,000.
- TAGD's Executive Committee met on January 16, 2018 and approved the FY17 Q4 Finances with the budget amendment to increase the total budget by \$5,000 by increasing personnel by \$2,000 and total travel by \$3,000.
- The FY17 Q4 finances presented to you here for your review and approval include the budget amendments

Texas Alliance of Groundwater Districts

BALANCE SHEET

As of September 30, 2017

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
PayPal Bank	365.85
WellsFargo Bank - Checking	25,102.37
WellsFargo Bank - Savings	75,097.66
Total Bank Accounts	\$100,565.88
Accounts Receivable	
Accounts Receivable	37,846.51
Total Accounts Receivable	\$37,846.51
Other Current Assets	
Deposits	400.00
Total Other Current Assets	\$400.00
Total Current Assets	\$138,812.39
TOTAL ASSETS	\$138,812.39
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Wells Fargo Business Card	703.44
Total Credit Cards	\$703.44
Other Current Liabilities	
Payable-WF Payroll Service	2,970.83
Total Other Current Liabilities	\$2,970.83
Total Current Liabilities	\$3,674.27
Total Liabilities	\$3,674.27
Equity	
Retained Earnings	0.00
Unrestricted Net Assets	151,530.21
Net Income	-16,392.09
Total Equity	\$135,138.12
TOTAL LIABILITIES AND EQUITY	\$138,812.39

Texas Alliance of Groundwater Districts
Budget vs. Actuals: FY17 Q4 Finances
October 2016 - September 2017

	Total				
	Actual	Amended Budget	Originally Approved Budget	over Budget	% of Budget
Income					
Grants and Donations	129.00			129.00	
Interest Income	22.52	21.00	21.00	1.52	107.24%
Meeting Income				0.00	
PFIA Training	3,950.00	3,500.00	3,500.00	450.00	112.86%
Regular Business Meeting Income	34,355.00	33,000.00	25,000.00	1,355.00	104.11%
Technical Training Income	6,710.00	6,000.00	4,000.00	710.00	111.83%
Texas Groundwater Summit	37,846.51	40,000.00	35,000.00	-2,153.49	94.62%
Total Meeting Income	\$ 82,861.51	\$ 82,500.00	\$ 67,500.00	\$ 361.51	100.44%
Member Dues				0.00	
Membership Dues - Associates	35,250.00	35,000.00	30,000.00	250.00	100.71%
Membership Dues - Voting	77,412.50	75,000.00	75,000.00	2,412.50	103.22%
Total Member Dues	\$ 112,662.50	\$ 110,000.00	\$ 105,000.00	\$ 2,662.50	102.42%
Total Income	\$ 195,675.53	\$ 192,521.00	\$ 172,521.00	\$ 3,154.53	101.64%
Gross Profit	\$ 195,675.53	\$ 192,521.00	\$ 172,521.00	\$ 3,154.53	101.64%
Expenses					
Meeting Expenses				0.00	
Meeting Supplies	1,911.71	2,000.00	2,000.00	-88.29	95.59%
Regular Business Meeting Expenses	9,680.92	10,000.00	10,000.00	-319.08	96.81%
Technical Training Expenses	3,172.46	3,000.00	2,000.00	172.46	105.75%
Total Meeting Expenses	\$ 14,765.09	\$ 15,000.00	\$ 14,000.00	-\$ 234.91	98.43%
Office Expense				0.00	
Cell Phone	1,620.00	1,620.00	1,620.00	0.00	100.00%
Clerical Duties	538.95			538.95	
Furniture and Equipment	754.98	1,500.00	2,500.00	-745.02	50.33%
Office Phone	193.79	200.00	200.00	-6.21	96.90%
Postage and PO Box	251.78	300.00	300.00	-48.22	83.93%
Rent	10,740.00	12,000.00	12,000.00	-1,260.00	89.50%
Supplies	662.63	800.00	800.00	-137.37	82.83%
Website	10,511.14	10,000.00	10,000.00	511.14	105.11%
Total Office Expense	\$ 25,273.27	\$ 26,420.00	\$ 27,420.00	-\$ 1,146.73	95.66%
Personnel				0.00	
Executive Director				0.00	
Payroll Taxes	5,355.00	5,355.00	5,355.00	0.00	100.00%
Retirement	4,749.97	4,800.00	4,200.00	-50.03	98.96%
Salaries	69,999.96	70,000.00	70,000.00	-0.04	100.00%
Total Executive Director	\$ 80,104.93	\$ 80,155.00	\$ 79,555.00	-\$ 50.07	99.94%
Health Insurance-Group Plan	14,022.91	14,200.00	13,200.00	-177.09	98.75%
Staff				0.00	
Payroll Taxes	3,825.00	3,825.00	3,825.00	0.00	100.00%
Retirement	3,316.70	3,400.00	3,000.00	-83.30	97.55%
Salaries	50,000.04	50,000.00	50,000.00	0.04	100.00%
Total Staff	\$ 57,141.74	\$ 57,225.00	\$ 56,825.00	-\$ 83.26	99.85%
Total Personnel	\$ 151,269.58	\$ 151,580.00	\$ 149,580.00	-\$ 310.42	99.80%
Professional Services				0.00	
Audit/Tax Return	785.00	1,000.00	7,000.00	-215.00	78.50%
Contracted Services	775.00	991.70	3,000.00	-216.70	78.15%
Insurance - Bonds	1,928.54	2,400.00	2,400.00	-471.46	80.36%
Member Management Software	480.00	480.00	480.00	0.00	100.00%
Payroll/Bookkeeping/Banking	2,605.55	3,000.00	3,000.00	-394.45	86.85%
PFIA Instructor	2,625.00	2,625.00	2,000.00	0.00	100.00%
Texas Legislative Service	1,802.97	1,808.30	1,500.00	-53.33	99.71%
Total Professional Services	\$ 11,002.06	\$ 12,305.00	\$ 19,380.00	-\$ 1,302.94	89.41%
Travel/Confer/Dues/Outreach				0.00	
Conference Fees	2,747.63	2,750.00	3,000.00	-2.37	99.91%
Member Dues/Registrations	500.00	500.00	1,500.00	0.00	100.00%
Outreach	1,156.12	1,160.00	2,000.00	-3.88	99.67%
Parking	256.19	490.00	500.00	-233.81	52.28%
Travel and Hotel	5,097.68	5,100.00	3,000.00	-2.32	99.95%
Total Travel/Confer/Dues/Outreach	\$ 9,757.62	\$ 10,000.00	\$ 10,000.00	-\$ 242.38	97.58%
Total Expenses	\$ 212,067.62	\$ 215,305.00	\$ 220,380.00	-\$ 3,237.38	98.50%
Net Operating Income	-\$ 16,392.09	-\$ 22,784.00	-\$ 47,859.00	\$ 6,391.91	71.95%
Net Income	-\$ 16,392.09	-\$ 22,784.00	-\$ 47,859.00	\$ 6,391.91	71.95%

Agenda Item G: Discussion and possible action to approve FY18 Q1 financial reports

Notes

- TAGD's Finance & Budget Committee met on January 10, 2018 and approved the FY18 Q1 Finances as presented.
- TAGD's Executive Committee met on January 16, 2018 and approved the FY18 Q1 Finances as presented.

Texas Alliance of Groundwater Districts

BALANCE SHEET

As of December 31, 2017

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
PayPal Bank	4,636.80
WellsFargo Bank - Checking	144,316.14
WellsFargo Bank - Savings	75,103.34
Total Bank Accounts	\$224,056.28
Accounts Receivable	
Accounts Receivable	3,626.00
Total Accounts Receivable	\$3,626.00
Other Current Assets	
Deposits	400.00
Total Other Current Assets	\$400.00
Total Current Assets	\$228,082.28
TOTAL ASSETS	\$228,082.28
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Wells Fargo Business Card	622.93
Total Credit Cards	\$622.93
Other Current Liabilities	
Payable-WF Payroll Service	2,970.83
Total Other Current Liabilities	\$2,970.83
Total Current Liabilities	\$3,593.76
Total Liabilities	\$3,593.76
Equity	
Retained Earnings	-16,392.09
Unrestricted Net Assets	151,530.21
Net Income	89,350.40
Total Equity	\$224,488.52
TOTAL LIABILITIES AND EQUITY	\$228,082.28

Texas Alliance of Groundwater Districts

BUDGET VS. ACTUALS: FY18 BUDGET - FY18 P&L

October 2017 - September 2018

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
Grants and Donations	19,300.00		19,300.00	
Interest Income	5.68	21.00	-15.32	27.04762%
Meeting Income				
PFIA Training		3,500.00	-3,500.00	
Regular Business Meeting Income	7,755.00	30,000.00	-22,245.00	25.85%
Technical Training Income	15,790.00	15,000.00	790.00	105.26667%
Texas Groundwater Summit		40,000.00	-40,000.00	
Total Meeting Income	23,545.00	88,500.00	-64,955.00	26.60452%
Member Dues				
Membership Dues - Associates	33,000.00	33,000.00	0.00	100.00%
Membership Dues - Voting	79,850.00	75,000.00	4,850.00	106.46667%
Total Member Dues	112,850.00	108,000.00	4,850.00	104.49074%
Total Income	\$155,700.68	\$196,521.00	\$ -40,820.32	79.22852%
GROSS PROFIT	\$155,700.68	\$196,521.00	\$ -40,820.32	79.22852%
Expenses				
Meeting Expenses				
Meeting Supplies	914.95	2,000.00	-1,085.05	45.7475%
Regular Business Meeting Expenses	173.55	10,000.00	-9,826.45	1.7355%
Technical Training Expenses	7,340.37	4,000.00	3,340.37	183.50925%
Total Meeting Expenses	8,428.87	16,000.00	-7,571.13	52.68044%
Office Expense				
Cell Phone	405.00	1,620.00	-1,215.00	25.00%
Clerical Duties		500.00	-500.00	
Furniture and Equipment	208.50	1,500.00	-1,291.50	13.90%
Office Phone	51.36	200.00	-148.64	25.68%
Postage and PO Box	77.18	300.00	-222.82	25.72667%
Rent	2,850.00	12,000.00	-9,150.00	23.75%
Supplies	490.18	1,300.00	-809.82	37.70615%
Website	408.37	1,000.00	-591.63	40.837%
Total Office Expense	4,490.59	18,420.00	-13,929.41	24.37888%
Personnel				
Executive Director				
Payroll Taxes	1,453.50	5,814.00	-4,360.50	25.00%
Retirement	699.99	4,560.00	-3,860.01	15.35066%
Salaries	18,999.99	76,000.00	-57,000.01	24.99999%
Total Executive Director	21,153.48	86,374.00	-65,220.52	24.49056%
Health Insurance-Group Plan	3,847.38	18,000.00	-14,152.62	21.37433%
Staff				
Payroll Taxes	1,300.50	4,284.00	-2,983.50	30.35714%
Retirement	500.01	3,360.00	-2,859.99	14.88125%
Salaries	17,000.01	56,000.00	-38,999.99	30.35716%

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Total Staff	18,800.52	63,644.00	-44,843.48	29.54013%
Total Personnel	43,801.38	168,018.00	-124,216.62	26.06946%
Professional Services				
Audit/Tax Return		7,000.00	-7,000.00	
Contracted Services		1,500.00	-1,500.00	
Insurance - Bonds		2,500.00	-2,500.00	
Member Management Software	120.00	480.00	-360.00	25.00%
Payroll/Bookkeeping/Banking	596.76	3,000.00	-2,403.24	19.892%
PFIA Instructor		2,000.00	-2,000.00	
Texas Legislative Service	573.32	1,800.00	-1,226.68	31.85111%
Total Professional Services	1,290.08	18,280.00	-16,989.92	7.05733%
Travel/Confer/Dues/Outreach				
Conference Fees		3,000.00	-3,000.00	
Member Dues/Registrations	250.00	1,000.00	-750.00	25.00%
Outreach	827.17	2,000.00	-1,172.83	41.3585%
Parking	27.00	500.00	-473.00	5.40%
Travel and Hotel	4,433.87	8,000.00	-3,566.13	55.42338%
Total Travel/Confer/Dues/Outreach	5,538.04	14,500.00	-8,961.96	38.19338%
Total Expenses	\$63,548.96	\$235,218.00	\$ -171,669.04	27.01705%
NET OPERATING INCOME	\$92,151.72	\$ -38,697.00	\$130,848.72	-238.1366%
NET INCOME	\$92,151.72	\$ -38,697.00	\$130,848.72	-238.1366%

Agenda Item H: Discussion and possible action on Audit Report

Notes

- TAGD's Finance & Budget Committee met on January 10, 2018 and approved the draft audit report for distribution to the membership.
- TAGD's Executive Committee met on January 16, 2018 and approved the draft audit report for distribution to the membership.



S. PATRICIA WHITE, CPA, P.C.

Texas Alliance of Groundwater Districts
(A Nonprofit Corporation)

Independent Auditor's Report
and
Financial Statements

September 30, 2017

DRAFT

Texas Alliance of Groundwater Districts
(A Nonprofit Corporation)

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S. PATRICIA WHITE, CPA, P.C.

Independent Auditor's Report

To the Board of Directors
Texas Alliance of Groundwater Districts

I have audited the accompanying financial statements of Texas Alliance of Groundwater Districts which comprise the statement of financial position as of September 30, 2017, and the related statements of activities and cash flows for the two years then ended, as well as the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Texas Alliance of Groundwater Districts as of September 30, 2017 and the changes in its net assets and cash flows for the two year then ended, in conformity with accounting principles generally accepted in the United States of America.

Patricia White CPA

AUDIT REPORT DATE
Round Rock, Texas

Texas Alliance of Groundwater Districts
(A Nonprofit Corporation)

Statement of Financial Position

September 30, 2017

Assets

Cash and cash equivalents	\$	100,565
Accounts receivable		37,847
Deposits		<u>400</u>
Total assets	\$	<u><u>138,812</u></u>

Liabilities

Accounts payable and accrued liabilities	\$	<u>3,674</u>
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Net Assets

Unrestricted net assets		<u>135,138</u>
Total net assets and liabilities	\$	<u><u>138,812</u></u>

Notes to financial statements form an integral part of this statement.

Texas Alliance of Groundwater Districts
(A Nonprofit Corporation)

Statement of Activities

For the Two Years Ended September 30, 2017

Unrestricted revenues, support, and other changes:

Membership dues	\$ 221,413
Meeting and training fees	154,465
Other income	<u>174</u>

Total unrestricted revenues, support and other changes

376,052

Expenses:

Personnel	272,482
Meetings	25,620
Professional fees	26,740
Rent	21,560
Travel, conferences and outreach	17,706
Office	<u>17,911</u>

Total expenses

382,019

Change in unrestricted net assets

(5,967)

Unrestricted net assets at beginning of period

141,105

Unrestricted net assets at end of period

\$ 135,138

Notes to financial statements form an integral part of this statement.

Texas Alliance of Groundwater Districts
(A Nonprofit Corporation)

Statement of Cash Flows

For the Two Years Ended September 30, 2017

Cash Flows From Operating Activities	
Change in net assets	\$ (5,967)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Changes in assets and liabilities:	
Accounts receivable	8,342
Accounts payable and accrued liabilities	3,553
Net cash provided by operating activities	<u>5,928</u>
Net change in cash and cash equivalents	5,928
Cash and cash equivalents at beginning of period	<u>94,637</u>
Cash and cash equivalents at end of period	<u><u>\$ 100,565</u></u>
Supplementary Information	
Cash paid for interest costs	<u><u>\$ -</u></u>
Income taxes paid	<u><u>\$ -</u></u>

Notes to financial statements form an integral part of this statement.

Texas Alliance of Groundwater Districts
(A Nonprofit Corporation)

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Organization

Texas Alliance of Groundwater Districts was incorporated as a Texas non-for-profit corporation in May 1988. The Alliance's membership includes groundwater conservation districts of Texas who have the power and duties to manage groundwater as defined in Chapter 36 of the Texas Water Code.

The Alliance was formed to further the purpose of groundwater conservation and protection activities. The Alliance also provides a means of communication and exchange of information between individual districts regarding day-to-day operations of local groundwater management. Members of the Alliance are part of a network in which valuable technical operational experience is available. The Alliance maintains contact with members of the private sector and various elected local, state and federal officials, providing them with timely information on activities and issues relevant to groundwater management. Members of the Alliance also serve on various local, state and federal agency committees and subcommittees, providing input and information on behalf of the member districts.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting applicable to not-for-profit organizations in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Alliance reports information regarding its financial position and activities according to three classes of net assets as applicable: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets – Unrestricted net assets consists of net assets that are not subject to donor-imposed restrictions. Unrestricted net assets result from operating revenues, unrestricted contributions, unrestricted dividend and interest income, less expenses incurred in operations, to raise contributions and for administrative functions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted Net Assets – Temporarily restricted net assets consist of assets that are subject to donor-imposed stipulations that require the passage of time or the occurrence of a specified event. When the donor restriction expires, the temporarily restricted net asset are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Alliance had no temporarily restricted net assets at September 30, 2017.

Permanently Restricted Net Assets – Permanently restricted net assets consist of net assets subject to donor-imposed stipulations that are to be maintained permanently. Generally, donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes. The Alliance had no permanently restricted net assets at September 30, 2017.

Texas Alliance of Groundwater Districts
(A Nonprofit Corporation)

Notes to Financial Statements

1. Organization and Significant Accounting Policies (Continued)

Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Cash equivalents for purposes of the statement of cash flows are all highly liquid debt instruments purchased with a maturity of three months or less.

Federal Income Tax

The Alliance is a not-for-profit corporation and is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. As such, no provision for federal income taxes has been made in the accompanying financial statements.

The Alliance's policy is to record interest and penalties related to income taxes as interest and other expense, respectively. At September 30, 2017, no interest or penalties have been or are required to be accrued. The Alliance, generally, is no longer subject to income tax examinations by federal authorities for the years prior to September 30, 2015.

Revenues

Membership dues are annual dues contributed voluntarily by member districts and the public sector. Dues are recognized as revenues when received. Meeting and training fees are received in conjunction with the Alliance's quarterly meetings, annual Texas Groundwater Summit, and training events, and are recognized as revenue when earned.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program or that relate to a specific source of revenue are allocated directly to that program.

Subsequent Events

The Alliance has evaluated subsequent events that occurred after September 30, 2017 through the date of this report on AUDIT REPORT DATE. Any material subsequent events that occurred during this time have been properly recognized or disclosed in the financial statements.

Texas Alliance of Groundwater Districts
(A Nonprofit Corporation)

Notes to Financial Statements

2. Functional Expenses

Program	\$ 300,083
General and Administrative	81,937
	<u>\$ 382,019</u>

3. Concentrations

The accounts receivable balance at year-end is from one entity.

Agenda Item I: Discussion of TAGD short term and long term Financial Strategy

Notes

- TAGD's Finance & Budget Committee met on January 10, 2018 and approved the Financial Strategy Document for distribution to the membership
- TAGD's Executive Committee met on January 16, 2018 and approved the Financial Strategy Document for distribution to the membership.

TAGD 5 Year Financial Projection

Introduction

Texas Alliance of Groundwater Districts (TAGD) is turning **30** this year. We have grown to represent 85 of the 100 Groundwater Conservation Districts (GCDs) and 39 associate members. We have established the Texas Groundwater Summit as an annual cornerstone event, provide educational and technical trainings, keep track of all developments in Texas groundwater, and provide a unified voice in groundwater policy.

IT IS TIME TO REFLECT ON TAGD'S LEGACY FOR THE NEXT 30 YEARS AND DETERMINE A FINANCIAL STRATEGY TO ACHIEVE IT.

Historical Highlights of the Alliance

1988: Texas Groundwater Conservation Districts Association founded (name changed to TAGD in 1992)

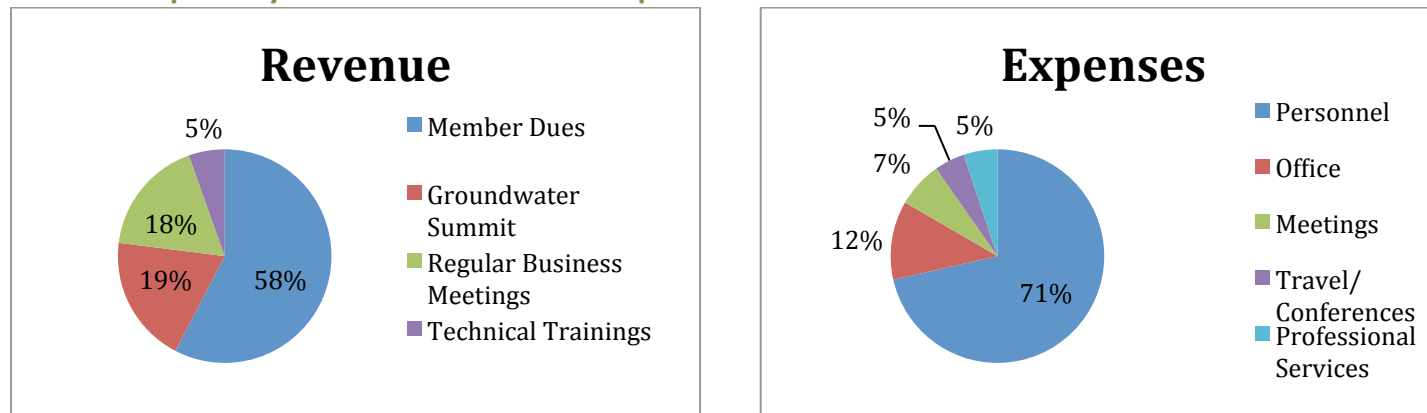
1993: Total GCD membership was 24 / **2018:** Total GCD membership is 85

1993 Meeting Registration Fee: \$25.00 / **2018** Meeting Registration Fee: \$160

1999: Membership dues based on income tiers ranging from \$125-\$500 / **2013:** Dues updated to 5 tiers ranging \$550-\$1500

2011: TAGD hires first full time Executive Director / **2014** TAGD hires second full time staff

What are TAGD's primary sources of revenue & expenses¹?



¹ Revenue and expense percentages based on TAGD's FY17 Budget.

What is TAGD's current financial position?

With no income increases and conservative cost projects, TAGD will not be able to operate through FY21.

	FY18 Budget	FY19 Budget	FY20 Budget	FY21 Budget	FY22 Budget	
Income						
Grants and Donations	15,000.00					
Interest Income	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	
Meeting Income						
PFIA Training	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	
Regular Business Meeting Income	\$30,000.00	\$32,000.00	\$32,000.00	\$32,000.00	\$32,000.00	100 Attendees @ \$160/person, 2 meetings
Technical Training Income	\$15,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	50 Attendees @ \$160/person
Texas Groundwater Summit	\$40,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	
Total Meeting Income	\$88,500.00	\$78,500.00	\$78,500.00	\$78,500.00	\$78,500.00	
Member Dues						
Membership Dues - Associates	\$33,000.00	\$37,500.00	\$37,500.00	\$37,500.00	\$37,500.00	Based on 39 Associates
Membership Dues - Voting	\$75,000.00	\$78,850.00	\$78,850.00	\$78,850.00	\$78,850.00	Based on 82 Member Districts
Total Member Dues	\$108,000.00	\$116,350.00	\$116,350.00	\$116,350.00	\$116,350.00	
Total Income	\$211,521.00	\$194,850.00	\$194,850.00	\$194,850.00	\$194,850.00	
Expenses (Annual Increase Projections)						
Total Meeting Expenses	\$16,000.00	\$16,340.00	\$16,689.40	\$17,048.47	\$17,417.50	3% Increase for Meetings, 1% for Trainings
Total Office Expense	\$18,420.00	\$18,780.00	\$19,150.80	\$19,532.72	\$19,926.11	3% Rent Increase
Total Executive Director	\$86,374.00	\$86,374.00	\$86,374.00	\$86,374.00	\$86,374.00	
Total Staff	\$63,644.00	\$63,644.00	\$63,644.00	\$63,644.00	\$63,644.00	
Health Insurance-Group Plan	\$18,000.00	\$18,540.00	\$19,096.20	\$19,669.09	\$20,259.16	3% Increase
Total Personnel	\$168,018.00	\$168,558.00	\$169,114.20	\$169,687.09	\$170,277.16	
Total Professional Services	\$18,280.00	\$9,734.80	\$16,949.65	\$9,744.54	\$17,175.79	Contracted services removed, 3% audit increase 1% membership management increase
Total Travel/Confer/Dues/Outreach	\$14,500.00	\$8,500.00	\$8,500.00	\$8,500.00	\$8,500.00	Travel reduced by \$6,000
Total Expenses	\$235,218.00	\$221,912.80	\$230,404.05	\$224,512.83	\$233,296.56	
Net Operating Income	\$23,697.00	\$27,062.80	\$35,554.05	\$29,662.83	\$38,446.56	
Projected Fund Balance	\$106,303.00	\$79,240.20	\$43,686.15	\$14,023.32	\$24,423.23	

What are our Options?

- Increase membership dues/ increase meeting registration rates
- Decrease events, services, and programmatic offerings



TAGD's 5 Year Financial Strategy Scenarios

To address TAGD's current 5 year financial projection, 4 budget scenarios are proposed for the membership to consider

Option 1 Baseline

- No voting membership dues increase
- No associate dues increase
- No meeting fee increase
- Decrease Costs

Option 2 Two Year Stability

- Increase voting membership dues
- Increase associate dues
- Meeting fee increase
- Decrease Costs

Option 3 Short Term Stability

- Increase voting membership dues
- Increase associate dues
- Meeting fee increase
- Decrease Costs

Option 4 Long Term Stability

- Increase voting membership dues
- Increase associate dues
- Meeting fee increase
- Decrease Costs

What is the membership asked to do?

- Review and consider the following 5 year budget scenarios for action at the May 2018 meeting
- Provide your TAGD Area Representative with feedback
- Contact TAGD's Finance Committee with questions and concerns

Texas Alliance of Groundwater Districts
5 Year Financial Strategy
Option 1: Baseline (NO Income Increases with modest expense projections)
Outcome: hard landing, TAGD ceases operations in FY21

Option 1 Member Dues

Current Dues Structure	# of Members	No Increase	Income		Associate	# of Members	No Increase	Income
Tier 1: \$0-\$99.9K	12	\$550.00	\$6,600.00		Tier 1	14	\$500.00	\$7,000.00
Tier 2: \$100K- \$249.9K	27	\$750.00	\$20,250.00		Tier 2	2	\$750.00	\$1,500.00
Tier 3: \$250K-\$499.9K	19	\$1,000.00	\$19,000.00		Tier 3	10	\$1,000.00	\$10,000.00
Tier 4: \$500K-\$999.9K	12	\$1,250.00	\$15,000.00		Tier 4	2	\$1,250.00	\$2,500.00
Tier 5: \$1,000,000+	12	\$1,500.00	\$18,000.00		Tier 5	11	\$1,500.00	\$16,500.00
		Total Income	\$78,850.00				Total Income	\$37,500.00

	FY18 Budget	FY19 Budget	FY20 Budget	FY21 Budget	FY22 Budget	
Income						Income Projections with no increases
Grants and Donations	15,000.00					
Interest Income	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	
Meeting Income						
PFIA Training	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00	
Regular Business Meeting Income	\$30,000.00	\$32,000.00	\$32,000.00	\$32,000.00	\$32,000.00	100 Attendees @ \$160/person, 2 meetings
Technical Training Income	\$15,000.00	\$8,000.00	\$8,000.00	\$8,000.00	\$8,000.00	50 Attendees @ \$160/person
Texas Groundwater Summit	\$40,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	
Total Meeting Income	\$88,500.00	\$78,500.00	\$78,500.00	\$78,500.00	\$78,500.00	
Member Dues						
Membership Dues - Associates	\$33,000.00	\$37,500.00	\$37,500.00	\$37,500.00	\$37,500.00	39 Associates
Membership Dues - Voting	\$75,000.00	\$78,850.00	\$78,850.00	\$78,850.00	\$78,850.00	82 Member Districts
Total Member Dues	\$108,000.00	\$116,350.00	\$116,350.00	\$116,350.00	\$116,350.00	
Total Income	\$211,521.00	\$194,850.00	\$194,850.00	\$194,850.00	\$194,850.00	

						Cost Projections
Expenses						
Total Meeting Expenses	\$16,000.00	\$16,340.00	\$16,689.40	\$17,048.47	\$17,417.50	3% for Meetings, 1% for Trainings
Total Office Expense	\$18,420.00	\$18,780.00	\$19,150.80	\$19,532.72	\$19,926.11	3% for Rent
Total Executive Director	\$86,374.00	\$86,374.00	\$86,374.00	\$86,374.00	\$86,374.00	No increase
Total Staff	\$63,644.00	\$63,644.00	\$63,644.00	\$63,644.00	\$63,644.00	No increase
Health Insurance-Group Plan	\$18,000.00	\$18,540.00	\$19,096.20	\$19,669.09	\$20,259.16	3% for Health Insurance
Total Personnel	\$168,018.00	\$168,558.00	\$169,114.20	\$169,687.09	\$170,277.16	
Total Professional Services	\$18,280.00	\$9,734.80	\$16,949.65	\$9,744.54	\$17,175.79	No contract services, 3% for audit, 1% member mgmt
Total Travel/Confer/Dues/Outreach	\$14,500.00	\$8,500.00	\$8,500.00	\$8,500.00	\$8,500.00	Reduced travel by \$6,000
Total Expenses	\$235,218.00	\$221,912.80	\$230,404.05	\$224,512.83	\$233,296.56	
Net Operating Income	\$23,697.00	\$27,062.80	\$35,554.05	\$29,662.83	\$38,446.56	
Projected Fund Balance	\$106,303.00	\$79,240.20	\$43,686.15	\$14,023.32	\$24,423.23	

Texas Alliance of Groundwater Districts
5 Year Financial Strategy
Option 2: Two Year Stability
Outcome: short term fix, without addressing long term bleed

Option 2 Member Dues

Current Dues Structure	# of Members	Option 2	Income		Associate	# of Members	\$100 Increase	Income
Tier 1: \$0-\$99.9K	12	\$578.00	\$6,930.00	(\$28 increase)	Tier 1	14	\$600.00	\$8,400.00
Tier 2: \$100K-\$249.9K	27	\$850.00	\$22,950.00	(\$100 increase)	Tier 2	2	\$850.00	\$1,700.00
Tier 3: \$250K-\$499.9K	19	\$1,250.00	\$23,750.00	(\$250 increase)	Tier 3	10	\$1,100.00	\$11,000.00
Tier 4: \$500K-\$999.9K	12	\$1,875.00	\$22,500.00	\$625 increase)	Tier 4	2	\$1,350.00	\$2,700.00
Tier 5: \$1,000,000+	12	\$2,250.00	\$27,000.00	(\$750 increase)	Tier 5	11	\$1,600.00	\$17,600.00
		Total Income	\$103,130.00				Total Income	\$41,400.00

	FY18 Budget	FY19 Budget	FY20 Budget	FY21 Budget	FY22 Budget	
Income						Income Projections
Grants and Donations	15,000.00					
Interest Income	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	
Meeting Income						
Meals and Break Sponsorships						
PFIA Training	\$3,500.00	\$4,375.00	\$4,375.00	\$4,375.00	\$4,375.00	25% increase
Regular Business Meeting Income	\$30,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	100 Attendees @ \$180/person
Technical Training Income	\$15,000.00	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	50 Attendees @ \$180/person
Texas Groundwater Summit	\$40,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	
Total Meeting Income	\$88,500.00	\$84,375.00	\$84,375.00	\$84,375.00	\$84,375.00	
Member Dues						
Membership Dues - Associates	\$33,000.00	\$41,400.00	\$41,400.00	\$41,400.00	\$41,400.00	39 Associates
Membership Dues - Voting	\$75,000.00	\$103,130.00	\$103,130.00	\$103,130.00	\$103,130.00	82 Member Districts
Total Member Dues	\$108,000.00	\$144,530.00	\$144,530.00	\$144,530.00	\$144,530.00	
Total Income	\$211,521.00	\$228,905.00	\$228,905.00	\$228,905.00	\$228,905.00	
Expenses						Cost Projections
Total Meeting Expenses	\$16,000.00	\$16,340.00	\$16,689.40	\$17,048.47	\$17,417.50	3% for Meetings, 1% for Trainings
Total Office Expense	\$18,420.00	\$18,780.00	\$19,150.80	\$19,532.72	\$19,926.11	3% for Rent
Total Executive Director	\$86,374.00	\$86,374.00	\$86,374.00	\$86,374.00	\$86,374.00	No increase
Total Staff	\$63,644.00	\$63,644.00	\$63,644.00	\$63,644.00	\$63,644.00	No increase
Health Insurance-Group Plan	\$18,000.00	\$18,540.00	\$19,096.20	\$19,669.09	\$20,259.16	3% for Health Insurance
Total Personnel	\$168,018.00	\$168,558.00	\$169,114.20	\$169,687.09	\$170,277.16	
Total Professional Services	\$18,280.00	\$9,734.80	\$16,949.65	\$9,744.54	\$17,175.79	No contract services, 3% for audit, 1% member mgmt
Total Travel/Confer/Dues/Outreach	\$14,500.00	\$8,500.00	\$8,500.00	\$8,500.00	\$8,500.00	Reduced travel by \$6,000
Total Expenses	\$235,218.00	\$221,912.80	\$230,404.05	\$224,512.83	\$233,296.56	
Net Operating Income	\$23,697.00	\$6,992.20	\$1,499.05	\$4,392.17	\$4,391.56	
Projected Fund Balance	106,303.00	113,295.20	\$111,796.15	\$116,188.32	\$111,796.77	

Texas Alliance of Groundwater Districts
5 Year Financial Strategy
Option 3: Short Term Stability
Outcome: Stabablize budget with modest growth

Option 3 Member Dues

Current Dues Structure	# of Members	Option 3	Income		Associate	# of Members	\$100 Increase	Income
Tier 1: \$0-\$99.9K	12	\$600.00	\$7,200.00	(\$50 increase)	Tier 1	14	\$600.00	\$8,400.00
Tier 2: \$100K-\$249.9K	27	\$900.00	\$24,300.00	(\$150 increase)	Tier 2	2	\$850.00	\$1,700.00
Tier 3: \$250K-\$499.9K	19	\$1,300.00	\$24,700.00	(\$300 increase)	Tier 3	10	\$1,100.00	\$11,000.00
Tier 4: \$500K-\$999.9K	12	\$2,000.00	\$24,000.00	(\$750 increase)	Tier 4	2	\$1,350.00	\$2,700.00
Tier 5: \$1,000,000+	12	\$2,300.00	\$27,600.00	(\$800 increase)	Tier 5	11	\$1,600.00	\$17,600.00
		Total Income	\$107,800.00				Total Income	\$41,400.00

	FY18 Budget	FY19 Budget	FY20 Budget	FY21 Budget	FY22 Budget	
Income						Income Projections
Grants and Donations	15,000.00					
Interest Income	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	
Meeting Income						
Meals and Break Sponsorships						
PFIA Training	\$3,500.00	\$4,375.00	\$4,375.00	\$4,375.00	\$4,375.00	25% increase
Regular Business Meeting Income	\$30,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	100 Attendees @ \$180/person
Technical Training Income	\$15,000.00	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	50 Attendees @ \$180/person
Texas Groundwater Summit	\$40,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	
Total Meeting Income	\$88,500.00	\$84,375.00	\$84,375.00	\$84,375.00	\$84,375.00	
Member Dues						
Membership Dues - Associates	\$33,000.00	\$41,400.00	\$41,400.00	\$41,400.00	\$41,400.00	39 Associates
Membership Dues - Voting	\$75,000.00	\$107,800.00	\$107,800.00	\$107,800.00	\$107,800.00	82 Member Districts
Total Member Dues	\$108,000.00	\$149,200.00	\$149,200.00	\$149,200.00	\$149,200.00	
Total Income	\$211,521.00	\$233,575.00	\$233,575.00	\$233,575.00	\$233,575.00	
Expenses						Cost Projections
Total Meeting Expenses	\$16,000.00	\$16,340.00	\$16,689.40	\$17,048.47	\$17,417.50	3% for Meetings, 1% for Trainings
Total Office Expense	\$18,420.00	\$18,780.00	\$19,150.80	\$19,532.72	\$19,926.11	3% for Rent
Total Executive Director	\$86,374.00	\$86,374.00	\$86,374.00	\$86,374.00	\$86,374.00	No increase
Total Staff	\$63,644.00	\$63,644.00	\$63,644.00	\$63,644.00	\$63,644.00	No increase
Health Insurance-Group Plan	\$18,000.00	\$18,540.00	\$19,096.20	\$19,669.09	\$20,259.16	3% for Health Insurance
Total Personnel	\$168,018.00	\$168,558.00	\$169,114.20	\$169,687.09	\$170,277.16	
Total Professional Services	\$18,280.00	\$9,734.80	\$16,949.65	\$9,744.54	\$17,175.79	No contract services, 3% for audit, 1% member mgmt
Total Travel/Confer/Dues/Outreach	\$14,500.00	\$8,500.00	\$8,500.00	\$8,500.00	\$8,500.00	Reduced travel by \$6,000
Total Expenses	\$235,218.00	\$221,912.80	\$230,404.05	\$224,512.83	\$233,296.56	
Net Operating Income	\$23,697.00	\$11,662.20	\$3,170.95	\$9,062.17	\$278.44	
Projected Fund Balance	106,303.00	117,965.20	\$121,136.15	\$130,198.32	130,476.77	

Texas Alliance of Groundwater Districts
5 Year Financial Strategy
Option 4: Long Term Stability
Outcome: Immediately reverses deficit cycle and provides growth

Option 4 Member Dues

Current Dues Structure	# of Members	Option 4	Income		Associate	# of Members	\$100 Increase	Income
Tier 1: \$0-\$99.9K	12	\$577.50	\$6,930.00	(\$77.50 increase)	Tier 1	14	\$600.00	\$8,400.00
Tier 2: \$100K-\$249.9K	27	\$850.00	\$22,950.00	(\$100 increase)	Tier 2	2	\$850.00	\$1,700.00
Tier 3: \$250K-\$499.9K	19	\$1,250.00	\$23,750.00	(\$250 increase)	Tier 3	10	\$1,100.00	\$11,000.00
Tier 4: \$500K-\$999.9K	12	\$2,187.50	\$26,250.00	(\$937.5 increase)	Tier 4	2	\$1,350.00	\$2,700.00
Tier 5: \$1,000,000+	12	\$3,000.00	\$36,000.00	(\$1500 increase)	Tier 5	11	\$1,600.00	\$17,600.00
		Total Income	\$115,880.00				Total Income	\$41,400.00

	FY18 Budget	FY19 Budget	FY20 Budget	FY21 Budget	FY22 Budget	
Income						Income Projections
Grants and Donations	15,000.00					
Interest Income	\$21.00	\$21.00	\$21.00	\$21.00	\$21.00	
Meeting Income						
Meals and Break Sponsorships						
PFIA Training	\$3,500.00	\$4,375.00	\$4,375.00	\$4,375.00	\$4,375.00	25% increase
Regular Business Meeting Income	\$30,000.00	\$36,000.00	\$36,000.00	\$36,000.00	\$36,000.00	100 Attendees @ \$180/person
Technical Training Income	\$15,000.00	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	50 Attendees @ \$180/person
Texas Groundwater Summit	\$40,000.00	\$35,000.00	\$35,000.00	\$35,000.00	\$35,000.00	
Total Meeting Income	\$88,500.00	\$84,375.00	\$84,375.00	\$84,375.00	\$84,375.00	
Member Dues						
Membership Dues - Associates	\$33,000.00	\$41,400.00	\$41,400.00	\$41,400.00	\$41,400.00	39 Associates
Membership Dues - Voting	\$75,000.00	\$115,880.00	\$115,880.00	\$115,880.00	\$115,880.00	82 Member Districts
Total Member Dues	\$108,000.00	\$157,280.00	\$157,280.00	\$157,280.00	\$157,280.00	
Total Income	\$211,521.00	\$241,655.00	\$241,655.00	\$241,655.00	\$241,655.00	
Expenses						Cost Projections
Total Meeting Expenses	\$16,000.00	\$16,340.00	\$16,689.40	\$17,048.47	\$17,417.50	3% for Meetings, 1% for Trainings
Total Office Expense	\$18,420.00	\$18,780.00	\$19,150.80	\$19,532.72	\$19,926.11	3% for Rent
Total Executive Director	\$86,374.00	\$86,374.00	\$86,374.00	\$86,374.00	\$86,374.00	No increase
Total Staff	\$63,644.00	\$63,644.00	\$63,644.00	\$63,644.00	\$63,644.00	No increase
Health Insurance-Group Plan	\$18,000.00	\$18,540.00	\$19,096.20	\$19,669.09	\$20,259.16	3% for Health Insurance
Total Personnel	\$168,018.00	\$168,558.00	\$169,114.20	\$169,687.09	\$170,277.16	
Total Professional Services	\$18,280.00	\$9,734.80	\$16,949.65	\$9,744.54	\$17,175.79	No contract services, 3% for audit, 1% member mgmt
Total Travel/Confer/Dues/Outreach	\$14,500.00	\$8,500.00	\$8,500.00	\$8,500.00	\$8,500.00	Reduced travel by \$6,000
Total Expenses	\$235,218.00	\$221,912.80	\$230,404.05	\$224,512.83	\$233,296.56	
Net Operating Income	\$23,697.00	\$19,742.20	\$11,250.95	\$17,142.17	\$8,358.44	
Projected Fund Balance	106,303.00	126,045.20	\$137,296.15	\$154,438.32	162,796.77	

Agenda Item J: Discussion and possible action on Bylaw Amendments

Notes

- TAGD's Bylaws Committee met on January 4, 2018 to discuss the Bylaws and cast an electronic vote approving the proposed amendments for distribution to the membership.
- TAGD's Executive Committee met on January 16, 2018 and approved the proposed Bylaws amendments for distribution to the membership.

TEXAS ALLIANCE OF GROUNDWATER DISTRICTS BYLAWS

DRAFT January 30, 2018

APPROVED January 26, 2017

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.

Article 2.0: PURPOSE AND MISSION

The Texas Alliance of Groundwater Districts is a non-profit organization established to provide groundwater conservation districts (GCDs) 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

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.

Article 4.0: MEMBERSHIP

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

- 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.

1. District Membership Application and Action by the Alliance:

- a. Qualifying entities under Article 4.0 (A) requesting membership in the Alliance shall complete and submit to the Secretary, Executive Director, or designated staff a membership application form and a copy of the enabling legislation or other documentation of creation.
- b. 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.
- c. The actions of the Executive Committee may be taken at a committee meeting, by a conference call of the committee members, or via electronic communication. The action shall normally be completed within 30 days of receipt of a completed application by the Secretary, Executive Director, or designated staff.
- d. An application for District Membership acted on favorably by the Executive Committee entitles the applicant to a District Membership in accordance with these bylaws.
- e. 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.

2. District Membership shall be one of the following:

- a. Voting member. A member district that has paid their appropriate dues and registration fees to the Alliance in accordance with Article 5.0.
- b. 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.
- c. 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.

B. Associate Membership

1. Associate Membership in the Alliance shall be a non-voting membership and open to application by any person or entity.
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, Executive Director, or designated staff 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 via electronic communication. The action shall normally be completed within 30 days of receipt of a completed application by the Secretary, Executive Director, or designated staff.
 - 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. Non-TAGD members may attend regular membership meetings as non-voting attendees upon payment of the appropriate registration fees. These individuals may be required to leave the meeting during closed sessions of membership meetings.

C. 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, Executive Director, or designated staff of the Alliance.
3. Upon receipt of a nomination for Honorary Membership in the Alliance, the Secretary, Executive Director, or designated staff 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 via electronic communication. The action shall normally be completed within 30 days of receipt of a nomination by the Secretary, Executive Director, or designated staff.
5. The voting members shall by vote determine if a nominee shall be awarded Honorary Membership. A vote for approval by two-thirds of the members present at the meeting where the vote occurs is required for 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.

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. Seminars hosted by the Alliance; and
 3. Other costs associated with Alliance functions.
- C. The dues and fees of the Alliance shall be set annually by the voting membership at the spring a regular meeting of the Alliance. Any proposed changes to dues and fees shall be submitted to the Finance/Budget Committee for consideration no later than May 1 of that fiscal year. The voting membership of the Alliance shall set: 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.
 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. No less than three regular business meetings will be scheduled during each fiscal year. When possible, it is preferred that no more than one regular business meeting be scheduled during a fiscal quarter.
- B. Special meetings of the Alliance may be called as necessary by the President, two Executive Committee members, or twenty percent of the voting members of the Alliance.
- C. Notice of business meetings and a proposed agenda for that meeting shall be posted on the Alliance website or mailed, emailed or faxed to all members of the Alliance no later than 14 calendar 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 posted on the Alliance website or 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 or Executive Director.
 - 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 District 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

- 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, Executive Director, or designated staff 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 14 calendar days nor more than 45 calendar 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 calendar 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 14 calendar days nor more than 45 calendar 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 calendar days of adoption. Any Policy Statements adopted pursuant to this section shall be treated as appendices of these Bylaws.

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 District 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, Information/Education Committee, and Bylaws Committee.
3. Calling special meetings of the Alliance.
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 chairman of the Executive Committee.

7. Serving as an Ex Officio Member of all committees except 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 of the Alliance.
3. Providing the Secretary of State's office with a list of the names and addresses of each of the officers of the Alliance as may be required by law.
4. Serving as chairman of the Information/Education committee.
5. Performing other responsibilities as may be assigned to him/her by the President.

D. TREASURER---Responsibilities shall include:

1. Providing a written quarterly financial report to the Alliance for approval at a business meeting of the Alliance.
2. Overseeing the financial affairs of the Alliance in accordance with the adopted Financial Policy.
3. Overseeing the filing of 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.
4. Serving as chairman of the Finance/Budget Committee.
5. Performing other responsibilities as may be assigned to him/her by the President.

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 Alliance committees shall normally be limited to District Members for a two-year cycle commensurate with TAGD's officer terms. Open enrollment for committees will occur during the first month of the two-year cycle (odd numbered fiscal years) in conjunction with the start of TAGD officer terms. A second enrollment period may be opened on the first month of the second year to allow additional members to join. Associate Members may serve as non-voting members of an Alliance committee as authorized by the Executive Committee.

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 and consistent with the adopted Financial Policy.
 - 4. Interviewing and recommending an Executive Director to the membership for approval and overseeing the implementation of the adopted Employment Policy.
 - 5. 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. Developing information for and disseminating information to prospective new districts, newly formed districts, and other districts in need of such information.
 - 3. Working with TAGD staff on communication and outreach efforts to educate the public on groundwater management in Texas.
 - 4. Assisting in the development and implementation of TAGD data collection efforts.
 - 5. Performing other duties and responsibilities deemed necessary by the membership.
- C. FINANCE / BUDGET---This committee shall be comprised of the Treasurer, the Vice-President, and three (3) members of the Alliance appointed by the President. This committee shall be responsible for tasks as outlined in the adopted Financial Policy.
- D. LEGISLATIVE---This committee shall be responsible for implementing tasks as outlined in the adopted Legislative Policy, including:
 - 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.
- 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. **OTHER COMMITTEES**---Other committees may be appointed by the President as necessary.

Article 14.0: EXECUTIVE DIRECTOR

The Executive Director shall administer and manage the overall activities of TAGD, reporting to the Executive Committee through the President. Responsibilities of the Executive Director shall include:

- A. Serving as the primary contact, resource, and representative for all Alliance related matters.
- B. Reporting to the President, Executive Committee, and membership on matters related to the Alliance.
- C. Coordinating and overseeing the financial affairs of the Alliance in accordance with the Treasurer and the adopted Financial Policy.
- D. Preparing the agenda for business meetings of the Alliance in consultation with the Executive Committee.
- E. Maintaining the files of the Alliance and overseeing the contracts of the Alliance.
- F. Coordinating the communication and outreach activities of the Alliance.
- G. Overseeing the collection of member information to further the Alliance's purpose and mission.
- H. Performing other actions as may be assigned by the Executive Committee or membership.

Article 15.0: 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 two-thirds 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 assistance 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 two-thirds 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 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 16.0: CONTRACTS

The Executive Director may enter into contracts on behalf of the Alliance for goods or services equal to or less than \$2500 or that are the result of approved budget expenditures. Contracts for goods or services over that amount or not the result of an approved budget expenditure must be authorized by a majority of the membership present at a regular or special meeting of the Alliance.

Article 17.0: LOANS

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 18.0: DEPOSITS

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, consistent with the adopted Financial Policy.

Article 19.0: GIFTS

The Alliance may accept any contribution or gift for the general purposes or for any specific purpose of the Alliance consistent with the adopted Financial Policy.

Article 20.0: OPERATING EXPENSES

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, consistent with the adopted Financial Policy. The Alliance shall endeavor to keep at least 50 percent of total budgeted expenses in retained earnings on an annual basis.

Article 21.0: INDEMNIFICATION OF OFFICERS AND EMPLOYEES

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.

Article 22.0: 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- ~~January 26, 2017~~ January 30, 2018

Joe B. Cooper, President

Leah Adams, Secretary