



Texas Alliance of Groundwater Districts Regular Business Meeting

1:00PM January 30, 2020 to 10:45 AM January 31, 2020

EMBASSY SUITES – AUSTIN CENTRAL

5901 N Interstate Hwy 35, Austin, TX 78723

Agenda

Thursday, January 30, 2020

1:00-3:15 PM **Regular Business Meeting**

- A. Call to Order and Welcome Address**
- B. Membership Update and Announcement of New Members**
- C. Roll Call**
- D. Discussion and Possible Action on Minutes of Prior Meeting**
- E. TAGD Annual Report**
- F. Discussion and Possible Action to Approve FY19 Q4 Financial Reports**
- G. Discussion and Possible Action to Approve FY20 Q1 Financial Reports**
- H. Discussion and Possible Action on TAGD Employment Policy Amendments**
- I. Discussion and Possible Action on TAGD Financial Policy Amendments**
- J. Speaker Series – Joint Planning and DFCs**
 - 1. Overview on the Joint Planning Process – *Velma Danielson, Senior Project Manager, Blanton & Associates, Inc.*
 - 2. TWDB Perspective on Administrative Considerations – *Larry French, P.G., Groundwater Division Director, Texas Water Development Board*

3:15-3:30 PM **Break**

3:30-5:30 PM **Speaker Series – Joint Planning and DFCs (cont.)**

- 3. To Update or Not to Update? Modeling DFCs – *James Beach, Sr. Supervising Hydrogeologist, WSP and Bill Hutchison, Ph.D, P.E., P.G., Independent Groundwater Consultant*
- 4. Keeping Tabs: DFC Monitoring and Compliance – *Amy Bush, Hydrologist, RMBJ Geo Inc. and Wade Oliver, P.G., Senior Hydrogeologist, Intera Geoscience & Engineering Solutions*
- 5. Above & Beyond: Opportunities in the Joint Planning Process & Explanatory Report – *Alan Day, General Manager, Brazos Valley Groundwater Conservation District; Kristen Fancher, Attorney, Fancher Legal, PLLC; Doug Shaw, General Manager, Upper Trinity Groundwater Conservation District*

5:30 PM **Reception**

Friday, January 31, 2020

8:30-10:45 AM Regular Business Meeting Cont'd

K. Speaker Series – Agency Updates

1. **USDA Survey of Irrigation Organizations** - *Steven Wallander, Economist, USDA Economic Research Service*
2. **TCEQ Updates** - *Abiy Berehe, P.G., Groundwater Planning and Assessment, TCEQ*
3. **TWDB Updates** - *Natalie Ballew, Manager – Groundwater Technical Assistance, TWDB*

L. Officer and Committee Reports

i. Executive Director (Leah Martinsson)	v. Information/Education (Greg Sengelmann & Julia Stanford)
ii. Executive Committee (Zach Holland)	vi. Finance Committee (David Bailey)
iii. Legislative Committee (Amber Blount)	vii. TGPC (David Van Dresar)
iv. Bylaws Committee (Andy Garza)	

M. Member and GMA Reports

N. Other TAGD Business

O. Adjournment

11:00-11:45 AM Legislative Committee Meeting

January 2020 TAGD Business Meeting

Thanks to our reception sponsors!

















Agenda Item D

Discussion and possible action on minutes of August 20, 2019 meeting

**Minutes of
Regular Business Meeting
TEXAS ALLIANCE OF GROUNDWATER DISTRICTS**

August 20, 2019
Hyatt Regency Hill Country Resort
San Antonio, Texas

These minutes are a record of the items discussed, including motions on any matters that involve the Texas Alliance of Groundwater Districts (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 Dirk Aaron called the meeting to order at 9:30AM on August 20, 2019 by welcoming the membership, going over the topics for the day, and asking Joe B. Cooper to give the invocation.

B. Membership Update and Announcement of New Members President Dirk Aaron reported that TAGD had gained one new associate member, John Seifert with Groundwater Consultants, LLC, since the last business meeting. First-time meeting visitors were asked to introduce themselves.

C. Roll Call Interim Secretary Greg Sengelmann called the roll and informed the President that 56 District Members were in attendance, comprising a quorum. A list of Groundwater Conservation District members represented at the meeting is included as Attachment 1.

D. Discussion and Possible Action on Minutes of Prior Meeting President Dirk Aaron presented the minutes of the last meeting. Jason Coleman made a motion to approve the minutes as presented. Mike McGuire seconded the motion. The motion passed unanimously.

E. TAGD Officer Election President Dirk Aaron announced the nominees from the Nominating Committee as Steve Walthour for President, Amber Blount for Vice President, David Bailey for Treasurer, Greg Sengelmann for Secretary, and Andy Garza for Parliamentarian. Each of the Nominees introduced themselves. President Dirk Aaron opened the floor for nominations. The membership discussed the nominating and voting processes described in the Bylaws. Lonnie Stewart nominated Amber Blount for President and Zach Holland for Vice President. Janet Adams nominated Zach Holland for President. Amber Blount requested that her name be removed from consideration for President. With no further nominations being made from the floor, president Dirk Aaron requested that all ballots be turned in for counting.

F. Discussion and Possible Action to Approve the FY19 Q3 Finances and Budget Amendment Operations Director Beth Hood presented the FY19 Q3 financial report. Zach Holland presented the proposed FY19 Q3 budget amendments. Steve Walthour made a motion to approve the FY19 Q3

finances and budget amendments as presented. Alan Day seconded the motion. The motion passed unanimously.

G. Discussion and Possible Action on FY20 Budget Operations Director Beth Hood presented by FY20 proposed budget and provided a comparison of the FY19 amended budget to the FY20 proposed budget. Treasurer Zach Holland discussed specific items in the proposed budget including interest rates on certificates of deposit. Ron Fieseler made a motion to approve the FY20 budget as presented. Andy Garza seconded the motion. The motion passed unanimously.

H. TAGD Area Caucus Executive Director Leah Martinsson outlined the TAGD Area Caucus process. Far West Texas, Upper Edwards Trinity, and Lower Edwards Trinity areas were identified as areas not represented by elected officials. Each area was given time to discuss and appoint a representative. Janet Adams was chosen to represent Far West Texas, Diane Thomas was chosen to represent Upper Edwards Trinity, and Ron Fieseler was chosen to represent Lower Edwards Trinity.

I. Officer and Committee Reports President Dirk Aaron asked for Officer and Committee reports:

1. Executive Director – Leah Martinsson provided a report on TAGD’s activities and operations.
2. Executive Committee – Dirk Aaron provided a report on the Executive Committee’s activities.
3. Legislative Committee – Amber Blount reported no updates at this time.
4. Finance Committee – Zach Holland reported no updates at this time.
5. Bylaws Committee – Lonnie Stewart reported no updates at this time.
6. Education & Outreach Committee – Greg Sengemann reported no updates at this time.
7. Groundwater Protection and Drought Preparedness Committee – David Van Dresar reported no updates at this time.

J. GMA and Member Updates President Dirk Aaron invited members and representatives from each GMA to provide updates on the status of their Groundwater Management Area planning including progress on their Desired Future Conditions (DFCs), model updates, and future meeting dates.

K. Election Results and Executive Committee Recognition President Dirk Aaron announced the election results with Zach Holland as President, Amber Blount as Vice President, David Bailey as Treasurer, Greg Sengemann as Secretary, and Andy Garza as Parliamentarian. Executive Director Leah Martinsson and President Dirk Aaron recognized all FY18-FY19 Executive Committee members for their work and presented each with a gift.

L. Other TAGD Business Vice President Amber Blount recognized Dirk Aaron for his service as TAGD President and presented him with a gift. President Dirk Aaron recognized members of the TAGD Conference Planning Committee and IEM staff on a great conference. Dirk Aaron also

recognized Beth Hood and Leah Martinsson for their hard work and commitment to TAGD with a gift.

M. Adjournment David Van Dresar made a motion to adjourn the meeting. President Dirk Aaron adjourned the meeting at 11:07 AM.

Prepared and submitted by Leah Martinsson, Executive Director, and Greg Sengelmann, Secretary.

Approved by the Members on _____, 2020.

Zach Holland, President

Greg Sengelmann, Secretary

Attachment 1
GCD Members Attending the TAGD Regular Business Meeting
August 20, 2019

1. Barton Springs/Edwards Aquifer Conservation District
2. Bandera Co. River Authority and Groundwater District
3. Bee Groundwater Conservation District
4. Blanco-Pedernales Groundwater Conservation District
5. Bluebonnet Groundwater Conservation District
6. Brazoria County Groundwater Conservation District
7. Brazos Valley Groundwater Conservation District
8. Brush Country Groundwater Conservation District
9. Central Texas Groundwater Conservation District
10. Clearwater Underground Water Conservation District
11. Coastal Bend Groundwater Conservation District
12. Coastal Plains Groundwater Conservation District
13. Crockett County Groundwater Conservation District
14. Duval County Groundwater Conservation District
15. Evergreen Underground Water Conservation District
16. Fayette County Groundwater Conservation District
17. Gateway Groundwater Conservation District
18. Glasscock Groundwater Conservation District
19. Gonzales County Underground Water Conservation District
20. Guadalupe County Groundwater Conservation District
21. Hays Trinity Groundwater Conservation District
22. Hemphill County Underground Water Conservation District
23. Hickory UWCD
24. High Plains Underground Water Conservation District No. 1
25. Irion County Water Conservation District
26. Jeff Davis County Underground Water Conservation District
27. Kenedy County Groundwater Conservation District
28. Lipan-Kickapoo Water Conservation District
29. Live Oak Underground Water Conservation District
30. Llano Estacado Underground Water Conservation District
31. Lone Wolf Groundwater Conservation District
32. McMullen Groundwater Conservation District
33. Mesa Underground Water Conservation District
34. Mesquite Groundwater Conservation District
35. Mid-East Texas Groundwater Conservation District
36. Middle Trinity Groundwater Conservation District
37. Neches and Trinity Valleys Groundwater Conservation District
38. North Plains Groundwater Conservation District

39. North Texas Groundwater Conservation District
40. Panhandle Groundwater Conservation District
41. Pecan Valley Groundwater Conservation District
42. Plateau Underground Water Conservation and Supply District
43. Plum Creek Conservation District
44. Post Oak Savannah Groundwater Conservation District
45. Prairielands Groundwater Conservation District
46. Real-Edwards Conservation and Reclamation District
47. Red River Groundwater Conservation District
48. Reeves County Groundwater Conservation District
49. Rolling Plains Groundwater Conservation District
50. Rusk County Groundwater Conservation District
51. Sandy Land Underground Water Conservation District
52. South Plains Underground Water Conservation District
53. Southeast Texas Groundwater Conservation District
54. Sterling County Underground Water Conservation District
55. Sutton County Underground Water Conservation District
56. Upper Trinity Groundwater Conservation District

Agenda Item F

Discussion and possible action on FY19 Q4 Financial Reports

- TAGD's Finance & Budget Committee met on November 18, 2019 to review and approve the FY19 Q4 Financial Reports. The Finance & Budget Committee unanimously recommended approval of TAGD's FY19 Q4 Financial Reports.
- TAGD's Executive Committee met on January 13, 2020 to review TAGD's FY19 Q4 Financial Reports. The Executive Committee unanimously approved the FY19 Q4 Financial Reports for distribution to the membership.

Texas Alliance of Groundwater Districts

BALANCE SHEET

As of September 30, 2019

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
WellsFargo Bank - Checking	27,519.99
WellsFargo Bank - Savings	60,161.38
WF CD July 2019	50,000.00
Total Bank Accounts	\$137,681.37
Accounts Receivable	
Accounts Receivable	80,307.79
Total Accounts Receivable	\$80,307.79
Other Current Assets	
Deposits	400.00
Total Other Current Assets	\$400.00
Total Current Assets	\$218,389.16
TOTAL ASSETS	\$218,389.16
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	455.00
Total Accounts Payable	\$455.00
Credit Cards	
WF Credit Card 9271	334.62
WF Credit Card 9289	1,222.58
Total Credit Cards	\$1,557.20
Total Current Liabilities	\$2,012.20
Total Liabilities	\$2,012.20
Equity	
Retained Earnings	0.00
Unrestricted Net Assets	170,967.92
Net Income	45,409.04
Total Equity	\$216,376.96
TOTAL LIABILITIES AND EQUITY	\$218,389.16

Texas Alliance of Groundwater Districts

FY19 BUDGET VS ACTUALS - FY19 P&L

October 2018 - September 2019

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
Grants and Donations	-100.00		-100.00	
Income				
Reimbursements	0.00		0.00	
Total Income	0.00		0.00	
Interest Income	209.48	21.00	188.48	997.52 %
Meeting Income				
PFIA Training	7,025.00	4,375.00	2,650.00	160.57 %
Regular Business Meeting Income	32,690.00	36,000.00	-3,310.00	90.81 %
Technical Training Income	3,100.00	9,000.00	-5,900.00	34.44 %
Texas Groundwater Summit	80,057.79	35,000.00	45,057.79	228.74 %
Total Meeting Income	122,872.79	84,375.00	38,497.79	145.63 %
Member Dues				
Membership Dues - Associates	46,407.25	46,877.00	-469.75	99.00 %
Membership Dues - Voting	103,921.00	98,588.00	5,333.00	105.41 %
Total Member Dues	150,328.25	145,465.00	4,863.25	103.34 %
Total Income	\$273,310.52	\$229,861.00	\$43,449.52	118.90 %
GROSS PROFIT	\$273,310.52	\$229,861.00	\$43,449.52	118.90 %
Expenses				
Meeting Expenses				
Meeting Supplies	863.67	960.00	-96.33	89.97 %
Regular Business Meeting Expenses	7,875.88	7,900.00	-24.12	99.69 %
Technical Training Expenses	2,135.86	1,730.00	405.86	123.46 %
Total Meeting Expenses	10,875.41	10,590.00	285.41	102.70 %
Office Expense				
Bank Service charges	31.00		31.00	
Cell Phone	1,620.00	1,620.00	0.00	100.00 %
Clerical Duties	203.09	500.00	-296.91	40.62 %
Furniture and Equipment	1,291.39	1,500.00	-208.61	86.09 %
Office Phone	215.94	200.00	15.94	107.97 %
Postage and PO Box	177.85	300.00	-122.15	59.28 %
Printing/Copying Expense	170.17		170.17	
Reimbursable Expenses	-23.43		-23.43	
Rent	11,400.00	11,400.00	0.00	100.00 %
Supplies	502.71	960.00	-457.29	52.37 %
Website	2,298.49	2,500.00	-201.51	91.94 %
Total Office Expense	17,887.21	18,980.00	-1,092.79	94.24 %
Personnel				
Executive Director				
Health Insurance Reimburse	3,500.00		3,500.00	
Payroll Taxes	6,490.01	5,814.00	676.01	111.63 %
Retirement	3,879.94	4,560.00	-680.06	85.09 %

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Salaries	81,336.71	76,000.00	5,336.71	107.02 %
Total Executive Director	95,206.66	86,374.00	8,832.66	110.23 %
Health Insurance-Group Plan	8,462.11	20,700.00	-12,237.89	40.88 %
Payroll Service Fees	0.00		0.00	
Staff				
Payroll Taxes	5,311.79	4,590.00	721.79	115.73 %
Retirement	3,810.00	3,600.00	210.00	105.83 %
Salaries	69,435.17	68,500.00	935.17	101.37 %
Total Staff	78,556.96	76,690.00	1,866.96	102.43 %
Total Personnel	182,225.73	183,764.00	-1,538.27	99.16 %
Professional Services				
Audit/Tax Return	975.00	1,000.00	-25.00	97.50 %
Insurance - Bonds	1,789.23	1,800.00	-10.77	99.40 %
Member Management Software	580.00	640.00	-60.00	90.63 %
Payroll/Bookkeeping/Banking	3,126.51	3,000.00	126.51	104.22 %
PPIA Instructor	2,875.00	2,500.00	375.00	115.00 %
Texas Legislative Service	1,857.96	1,820.00	37.96	102.09 %
Total Professional Services	11,203.70	10,760.00	443.70	104.12 %
Travel/Confer/Dues/Outreach				
Conference Fees	1,740.00	1,800.00	-60.00	96.67 %
Member Dues/Registrations	550.00	1,000.00	-450.00	55.00 %
Outreach	808.16	2,000.00	-1,191.84	40.41 %
Parking	419.80	500.00	-80.20	83.96 %
Travel and Hotel/Mileage	2,191.47	2,500.00	-308.53	87.66 %
Total Travel/Confer/Dues/Outreach	5,709.43	7,800.00	-2,090.57	73.20 %
Total Expenses	\$227,901.48	\$231,894.00	\$ -3,992.52	98.28 %
NET OPERATING INCOME	\$45,409.04	\$ -2,033.00	\$47,442.04	-2,233.60 %
NET INCOME	\$45,409.04	\$ -2,033.00	\$47,442.04	-2,233.60 %

Agenda Item G

Discussion and possible action on FY20 Q1 Financial Reports

- TAGD's Finance & Budget Committee met on January 10, 2020 to review and approve the FY20 Q1 Financial Reports. The Finance & Budget Committee unanimously recommended approval of TAGD's FY20 Q1 Financial Reports.
- TAGD's Executive Committee met on January 13, 2020 to review TAGD's FY20 Q1 Financial Reports. The Executive Committee unanimously approved the FY20 Q1 Financial Reports for distribution to the membership.

Texas Alliance of Groundwater Districts

BALANCE SHEET

As of December 31, 2019

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Pay Pal	0.00
PayPal Bank	375.93
WellsFargo Bank - Checking	21,713.85
WellsFargo Bank - Savings	245,995.44
WF CD July 2019	50,000.00
Total Bank Accounts	\$318,085.22
Accounts Receivable	
Accounts Receivable	3,587.50
Total Accounts Receivable	\$3,587.50
Other Current Assets	
Accounts Receivable - Other	0.00
Deposits	400.00
Prepaid Rent	950.00
Receivable-Wells Fargo Advisors	0.00
Undeposited Funds	0.00
Total Other Current Assets	\$1,350.00
Total Current Assets	\$323,022.72
Fixed Assets	
Office Equipment	0.00
Projector Equipment	0.00
Total Fixed Assets	\$0.00
TOTAL ASSETS	\$323,022.72
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	0.00
Total Accounts Payable	\$0.00
Credit Cards	
Wells Fargo Business Card	0.00
WF Credit Card 9271	0.00
WF Credit Card 9289	1,494.16
Total Credit Cards	\$1,494.16
Other Current Liabilities	
Accrued Expenses	0.00
Deferred Revenue	0.00
Direct Deposit Liabilities	0.00
Payable-WF Payroll Service	0.00
Payroll Liabilities	0.00

	TOTAL
Pledges - EAA Brief	0.00
Total Other Current Liabilities	\$0.00
Total Current Liabilities	\$1,494.16
Total Liabilities	\$1,494.16
Equity	
Invested in capital assets, net	0.00
Retained Earnings	45,409.04
Unrestricted Net Assets	170,967.92
Net Income	105,151.60
Total Equity	\$321,528.56
TOTAL LIABILITIES AND EQUITY	\$323,022.72

Texas Alliance of Groundwater Districts

BUDGET VS. ACTUALS: FY20BUDGET - FY20 P&L

October 2019 - September 2020

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Income				
Income				
Reimbursements	246.53		246.53	
Total Income	246.53		246.53	
Interest Income	1,023.28	1,200.00	-176.72	85.27 %
Meeting Income				
PFIA Training		3,900.00	-3,900.00	
Regular Business Meeting Income	15,095.00	32,000.00	-16,905.00	47.17 %
Technical Training Income		9,000.00	-9,000.00	
Texas Groundwater Summit		45,000.00	-45,000.00	
Total Meeting Income	15,095.00	89,900.00	-74,805.00	16.79 %
Member Dues				
Membership Dues - Associates	32,355.00	49,251.00	-16,896.00	65.69 %
Membership Dues - Voting	111,855.00	114,313.00	-2,458.00	97.85 %
Total Member Dues	144,210.00	163,564.00	-19,354.00	88.17 %
Total Income	\$160,574.81	\$254,664.00	\$ -94,089.19	63.05 %
GROSS PROFIT	\$160,574.81	\$254,664.00	\$ -94,089.19	63.05 %
Expenses				
Meeting Expenses				
Meeting Supplies		1,500.00	-1,500.00	
Regular Business Meeting Expenses	1,419.39	11,000.00	-9,580.61	12.90 %
Technical Training Expenses		3,030.00	-3,030.00	
Total Meeting Expenses	1,419.39	15,530.00	-14,110.61	9.14 %
Office Expense				
Cell Phone	535.00	2,335.00	-1,800.00	22.91 %
Clerical Duties		500.00	-500.00	
Furniture and Equipment	0.00	2,000.00	-2,000.00	0.00 %
Office Phone	54.54	200.00	-145.46	27.27 %
Postage and PO Box	204.00	300.00	-96.00	68.00 %
Rent	2,850.00	12,360.00	-9,510.00	23.06 %
Software	316.35	1,200.00	-883.65	26.36 %
Supplies	343.22	1,000.00	-656.78	34.32 %
Website	572.51	2,500.00	-1,927.49	22.90 %
Total Office Expense	4,875.62	22,395.00	-17,519.38	21.77 %
Personnel				
Executive Director				
Health Insurance Reimburse	1,500.00	6,000.00	-4,500.00	25.00 %
Payroll Taxes	1,530.01	6,579.00	-5,048.99	23.26 %
Retirement	1,200.00	4,800.00	-3,600.00	25.00 %
Salaries	20,000.01	80,000.00	-59,999.99	25.00 %
Total Executive Director	24,230.02	97,379.00	-73,148.98	24.88 %

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Health Insurance-Group Plan	1,353.21	6,485.00	-5,131.79	20.87 %
Staff				
Payroll Taxes	974.49	5,355.00	-4,380.51	18.20 %
Retirement		4,200.00	-4,200.00	
Salaries	12,738.46	70,000.00	-57,261.54	18.20 %
Total Staff	13,712.95	79,555.00	-65,842.05	17.24 %
Total Personnel	39,296.18	183,419.00	-144,122.82	21.42 %
Professional Services				
Audit/Tax Return	2,250.00	4,500.00	-2,250.00	50.00 %
Insurance - Bonds		2,500.00	-2,500.00	
Member Management Software	180.00	1,296.00	-1,116.00	13.89 %
Payroll/Bookkeeping/Banking	788.87	3,000.00	-2,211.13	26.30 %
PFIA Instructor		2,500.00	-2,500.00	
Texas Legislative Service	573.32	1,820.00	-1,246.68	31.50 %
Total Professional Services	3,792.19	15,616.00	-11,823.81	24.28 %
Travel/Confer/Dues/Outreach				
Conference Fees		3,500.00	-3,500.00	
Member Dues/Registrations	125.00	1,000.00	-875.00	12.50 %
Outreach	353.83	2,000.00	-1,646.17	17.69 %
Parking	48.00	500.00	-452.00	9.60 %
Travel and Hotel/Mileage	1,008.93	4,500.00	-3,491.07	22.42 %
Total Travel/Confer/Dues/Outreach	1,535.76	11,500.00	-9,964.24	13.35 %
Uncategorized Expense	180.54		180.54	
Total Expenses	\$51,099.68	\$248,460.00	\$ -197,360.32	20.57 %
NET OPERATING INCOME	\$109,475.13	\$6,204.00	\$103,271.13	1,764.59 %
NET INCOME	\$109,475.13	\$6,204.00	\$103,271.13	1,764.59 %

Agenda Item H

Discussion and possible action on proposed amendments to TAGD Employment Policy

- The TAGD Executive Committee considered proposed revisions to the TAGD Employment Policy on January 13, 2020 and unanimously approved the proposed revisions for distribution to the membership.

TAGD EMPLOYMENT POLICY

Adopted XX/XX/2020

Code of Conduct

Employees of the Texas Alliance of Groundwater Districts (TAGD) are expected to act in the best interests of the organization and in a manner that is consistent with the highest ethical standards. Employees should report any known or suspected violations of this Code of Conduct in writing to a TAGD Officer or member of the Executive Committee, who shall advise the Executive Committee of the reported violation. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. All reports will be promptly and thoroughly investigated in a professional manner and appropriate corrective action will be taken if warranted by the investigation. There will be no retaliation against any employee who files a complaint in good faith or who assists in providing information relevant to the investigation of a reported violation.

Deleted:

The following policies are applicable to all employees:

Compliance with Laws

You are expected to comply with all laws that apply to our city, state and country. Violence will not be tolerated.

Conflicts of Interest

You should avoid any outside interests that might influence, or appear to influence, decisions you make or actions you take for TAGD.

Outside Activities

You should avoid activities that would have a negative impact on the performance of your job, conflict with your obligation to TAGD, or negatively impact TAGD's reputation in the community.

Professional Conduct

TAGD requires employees conduct themselves in a professional manner.

Organization Funds and Assets

TAGD funds and other assets are to be used only for the benefit of TAGD and not for your own personal gain.

Misuse of Confidential Information

You may not use confidential information obtained through your employment with TAGD for personal gain or for any other reason except to further TAGD's interests.

Employee Orientation

An ad hoc committee of the membership is responsible for orienting the Executive Director upon hiring.

It is the responsibility of the Executive Director to ensure that other new employees are oriented to TAGD. Orientation should include:

- a. An overview of TAGD's Bylaws and policies;
- b. An introduction to the organization's mission and goals (may include review of past meetings, financial reports, strategic plans, work plans, etc.);
- c. A discussion of organizational structure and introduction to co-workers with explanation of their responsibilities;
- d. A review of project and program information;
- e. A review of benefits and signing of all necessary forms;
- f. A discussion of the employees' responsibilities and organizational expectations;
- g. Getting the employee started on assignments;
- h. Developing a system for tracking assignments and progress.

Performance Reviews

For new employees, an initial appraisal review including overall job expectations and performance, employee and supervisor goals, and specific suggestions for improvement should be conducted at the end of the first 90 days of employment.

The five TAGD Office-holders (President, Vice President, Secretary, Treasurer, and Parliamentarian) shall conduct a performance evaluation and salary review of the Executive Director on an annual basis and submit the evaluation to the Executive Committee for approval before May 1st of each year. The Executive Director shall conduct an annual performance evaluation and salary review of all other TAGD employees on or before May 1st of each year. The Executive Director is responsible for developing forms to be used in the evaluation process.

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Deleted: August 1st

Compensation and Leave

The salary of the Executive Director is to be determined by the Executive Committee. The Executive Director determines salaries of other employees. The Finance and Budget Committee shall recommend for approval a total personnel budget to the voting membership at the Annual Meeting. Compensation is paid monthly. Salaries are reviewed annually in conjunction with performance reviews. Salary increases are a function of employee performance and the ability of TAGD to increase compensation. TAGD does not grant automatic annual increases, but every effort is made to compensate employees fairly, taking into account their responsibilities and performance. TAGD strives to provide compensation that is competitive with other representative organizations in the area.

Deleted: TAGD's voting members.

Employment Status

The Fair Labor Standards Act (FLSA) sets the minimum wage, equal pay, overtime pay, record keeping, and child labor standards for the country. All employees are classified into 'exempt' or 'non-exempt' categories for purposes of establishing eligibility for overtime

pay under the Federal Wage and Hours Laws. The categories as defined by this Act are as follows:

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Exempt

Exempt employees are those employees that are exempt from overtime pay. A full-time exempt employee is salaried on a monthly basis and is regularly scheduled to work a forty (40) hour workweek, exclusive of lunch periods.

Non-Exempt

Non-exempt employees are those employees who must be paid overtime pay for hours worked over 40 in a given week. Non-exempt employees are hired at a specific hourly pay rate with a daily work schedule and a set number of hours in a regular workweek. Non-exempt employees will be paid at a rate of time and one-half for hours worked in excess of forty (40) hours for any workweek.

Overtime

Overtime is the extra time employees work above their normal scheduled workday. In order to meet the workweek needs of TAGD, employees must be available to work overtime as necessary. We try to eliminate the need for overtime, but, if TAGD determines it is unavoidable, employees will be expected to work their share. The Executive Director will give advance notice if possible. All overtime for hourly employees must be approved in advance. If an employee works overtime without prior approval, they can be subject to disciplinary action.

The Fair Labor Standards Act states that non-exempt employees must be paid for all overtime hours. Non-exempt employees will be paid at a rate of time and one-half for all hours worked in excess of forty (40) hours for any workweek. Hours worked include all hours actually worked. Hours worked do not include leave without pay.

Mandatory Benefits

Worker's Compensation

All employees are covered under the applicable Worker's Compensation Act Insurance that is paid in full by TAGD. To be eligible for workers' compensation benefits, an employee has to incur an accidental injury during and arising out of employment. If an employee is injured on the job, they must seek medical attention and immediately notify a TAGD Officer or the Executive Director of the occurrence.

Social Security

TAGD pays matching funds to the Social Security Administration under the Federal Insurance Contribution Act (FICA) for each employee.

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Voluntary Benefits

Health Insurance

Texas Alliance of Groundwater Districts will reimburse 100% of the cost of health insurance up to a monthly maximum amount recommended by the Executive Director to the Finance and Budget Committee and approved by the voting members at a business meeting of the Alliance for salaried employees.

Cell Phone Stipend

TAGD provides a monthly stipend in an amount recommended by the Executive Director to the Finance and Budget Committee and approved by the voting members at the Annual Meeting for employees' cell phone use.

Holidays

Each regular full-time employee will receive 12 paid holidays, to be based on federal holidays, and agreed upon by staff at the beginning of each year.

Holiday	Day Observed
New Year's Day	January 1
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Columbus Day	Second Monday in October
Veteran's Day	November 11
Thanksgiving	Last Thursday in November and the following Friday
Christmas Eve	December 24
Christmas Day	December 25
Floating Holiday	May be taken in conjunction with any holiday

Holidays will be paid as a full workday to all full-time employees. If any scheduled holiday falls on Saturday or Sunday, the Executive Director will decide when the holiday will be observed. Holidays which occur during an employee's vacation will be considered a holiday and will not count against vacation time. Holidays should be reported on the pay stub. Holiday time will not be counted in computing any overtime to any qualifying employee.

Personal Time Off

Personal Time Off (PTO) is a benefit earned through active full-time service. An employee will accrue PTO in accordance with the following table:

Completed Yrs.	Days PTO	Accrual Rate
0 through 3	15	(1.25 days/mo.)
4 through 6	20	(1.667 days/mo.)
7 or more	25	(2.08 days/mo.)

Unused PTO will roll over and can be used during the one year following its accrual. An employee can accumulate up to a maximum of two years of accrued PTO. TAGD will pay for unused accrued PTO upon separation to employees who have completed 366 calendar days of regular full-time employment.

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Retirement

TAGD will provide a retirement program for full-time employees that meet the Internal Revenue Service eligibility requirements through a Simplified Employment Pension Plan. TAGD will contribute a percentage of the employee salary annually to the plan. The current contribution percentage is set at six (6) percent but may be modified by TAGD in the future. Employees are not eligible for retirement contributions until they have successfully completed ninety (90) calendar days of regular full-time employment.

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Employee Business and Travel Expenses

The reasonable cost for transportation, lodging, conference registration fees and other reasonable expenses will be covered by TAGD for its employees when traveling on TAGD-related business. TAGD staff will submit an expense report that provides an itemized list of expenses incurred by staff doing business for TAGD to the Executive Director for approval. The Executive Director will submit an expense report that provides an itemized list of expenses incurred by the Executive Director while doing business for TAGD to the Treasurer for approval. The Executive Director will submit approved TAGD staff expense reports to the Treasurer for secondary approval. All TAGD staff and Executive Director expense reports will be submitted on a monthly basis for approval. TAGD staff and the Executive Director shall retain all receipts supporting claimed expenses. TAGD will use the current Internal Revenue Service-authorized rate for mileage allowance.

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Other Leave

Family, medical, and other leave will be established on a case-by-case basis based on organizational needs, employee performance and length of service to TAGD.

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Separations

Voluntary

The Executive Director of TAGD may resign at any time by letter of resignation to the Executive Committee. Other employees shall submit a letter of resignation to the Executive Director. The letter should give the staff member's last date of employment, and should be signed and dated. TAGD expects all staff members to provide the maximum possible notice of intent to resign. A minimum of two weeks' notice is requested to allow for training and transference of duties.

At-Will Employment

TAGD, including the Executive Director, has the right to dismiss an employee at any time, for any reason, and nothing in this policy should be interpreted as altering the at-will relationship or constituting a promise of continued employment.

Exit Interview

Three members of the Executive Committee should conduct exit interviews to evaluate the circumstances surrounding the separation of an employee, whether voluntary or involuntary. The members of the Executive Committee will be determined after

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consultation with the departing employee and the Executive Director. The Executive Director may participate in the exit interview of a departing employee if requested by that employee.

Harassment/Discrimination

TAGD is committed to providing a work environment free of unlawful harassment and discrimination. We prohibit sexual harassment and discrimination based on sex, race, religion, color, national origin, sexual orientation, political affiliation, physical or mental disability, medical condition, marital status, age or any other basis protected by federal, state or local law or ordinance or regulation. This policy applies to all persons working for TAGD, including, employees, consultants, trainers, Board members, and interns. Harassment, whether verbal, physical or environmental, and whether in the workplace or in outside work-sponsored settings, is unacceptable and will not be tolerated.

If an employee believes that they have been subjected to or have witnessed any form of harassment, that employee should inform the Executive Director or any member of the Executive Committee. The complaint will be promptly and thoroughly investigated in a professional manner. There will be no retaliation against any employee who files a complaint in good faith or who assists in providing information relevant to a claim of harassment, even if the investigation produces insufficient evidence to support the complaint. Confidentiality will be maintained to the extent possible, consistent with the need to conduct an adequate investigation.

The investigation may include interviews with the parties involved and, where necessary, individuals who may have observed the alleged conduct or who may have relevant knowledge. If the facts and results of the investigation substantiate the complaint, TAGD will act promptly to eliminate the offending conduct, and we will take such action as is appropriate under the circumstances. Such action may range from counseling to termination of employment, and may include such other forms of corrective action as we deem appropriate under the circumstances and in accordance with applicable law. In addition to the above, if an employee believes they have been subjected to sexual harassment, they may file a formal complaint with the appropriate government agency. Using this complaint process does not prohibit filing a complaint with these agencies.

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Agenda Item I

Discussion and possible action on proposed amendments to TAGD Financial Policy

- The TAGD Finance & Budget Committee considered proposed revisions to the TAGD Financial Policy on January 10, 2020 and unanimously recommended approval.
- The TAGD Executive Committee considered proposed revisions to the TAGD Financial Policy on January 13, 2020 and unanimously approved the proposed revisions for distribution to the membership.

**Texas Alliance of Groundwater Districts
Financial Policy
Adopted Month/Day, Year**

Deleted: August 28, 2018

The Texas Alliance of Groundwater Districts (TAGD or the Alliance) endeavors to use a sound system of internal controls and procedures for handling money in a form that is acceptable to its membership. TAGD does not tolerate fraud or misappropriation of funds under any circumstances. Employees should report any known or suspected fraud or misappropriation of funds in writing to a TAGD Officer or member of the Executive Committee, who shall advise the Executive Committee of the reported violation. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. All reports will be promptly and thoroughly investigated in a professional manner and appropriate corrective action will be taken if warranted by the investigation. There will be no retaliation against any employee who files a complaint in good faith or who assists in providing information relevant to the investigation of a reported violation. Any such cases are treated equally and consistently, working in full cooperation with legal authorities if an outside investigation is necessary. Any fraudulent activity and those involved are subject to criminal penalties.

Pursuant to the Bylaws, TAGD's Executive Director, its elected Treasurer, and the Finance/Budget Committee (the Committee) shall oversee the financial affairs of the Alliance. The Committee is comprised of TAGD's Treasurer, Vice-President, and three members appointed by the President. The Treasurer serves as chairperson of the Committee. These individuals are responsible for monitoring TAGD's financial situation, questioning any inconsistencies, and thoroughly investigating any real or perceived misuse of funds or impropriety.

Because TAGD's internal financial controls are subject to personnel limitations, internal controls are not what would be found in an organization with a large staff. However, the limitations imposed by TAGD's small staff size are mitigated by the oversight of the Treasurer and Finance/Budget Committee, an outside bookkeeper as necessary, regular financial reviews, and the following financial protocols:

Annual Budget

- TAGD's fiscal year is established by Article 22.0 of the approved TAGD Bylaws, which provides that the fiscal year begins on October 1 of each year and ends on September 30 of the following year.
- Each year, the Committee is responsible for formulating and presenting an annual budget for approval by the voting members at TAGD's Annual Meeting.
- In preparation of the annual budget, dues and fees of the Alliance shall be set according to Article 5.0 of the approved TAGD Bylaws. This includes:
 - Presenting proposed dues and fees for voting membership approval at the spring meeting of the Alliance
 - Preparing a draft annual budget to accompany proposed dues and fees

- Each quarter, the Committee should:
 - Review TAGD's actual financial performance as compared with the budget projections and provide direction as necessary to the Executive Director and Treasurer; and
 - Report on TAGD's financial performance to the full membership at each meeting, or more often if necessary.
- Budget amendments may be made as follows:
 - In most circumstances, the Finance/Budget Committee should first consider and recommend budget amendments to the Executive Committee;
 - The Executive Committee must approve budget amendments in amounts equal to or less than \$2,500 or expenditures more than \$2,500.00 for which the full amount of the new expenditure will be or has been (a) offset by new and confirmed revenue that will be added to the budget at the same time as the new expenditure, such as through donations or grants, or (b) covered by an equivalent reduction in another expense category; and
 - A majority of TAGD's voting members must approve budget amendments in amounts over \$2,500 for which the full amount of the new expenditure will either (a) not be offset by new and confirmed revenue that will be added to the budget at the same time as the new expenditure, or (b) not be covered by an equivalent reduction in another expense category.

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Projects or ventures, approved by a majority of TAGD's voting members or the Executive Committee, as dictated by this section, shall be added as a budget amendment if they have a fiscal note of deposit or expenditure.

Dues and Fees

- Dues and fees of the Alliance shall be reviewed by the Treasurer and Finance/Budget Committee on an annual basis and recommended to the Executive Committee prior to the spring business meeting of the Alliance.
- Pursuant to Article 5, section C of TAGD's Bylaws, the dues and fees of the Alliance shall be set annually by the voting membership at the spring 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.

Financial Review

- In each odd numbered year at the beginning of the new fiscal year, the Committee is responsible for selecting an external accounting firm for performing a financial review of the previous two-year period of TAGD's finances.
- Upon receipt, review, and approval of the financial review report, the Committee should present it to the voting members for review and final approval.

Banking

- All TAGD funds must be deposited in an accredited bank insured by FDIC.
- The Treasurer shall have independent access to the electronic bank statements at all times.

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Cash Receipts

The Executive Director receives all incoming cash (checks or currency). The process for accepting payments shall be as follows:

- Payments will be categorized, stamped with date of receipt, and copied electronically upon receipt.
- Payments will be entered into TAGD's membership or meeting database, as applicable.
- Deposits will be prepared, entered into the accounting software used to maintain the accounts of record, and deposited in the bank in a timely manner and at least monthly.
- The Treasurer will review deposits at least quarterly.

Financial Statements

The Committee shall recommend approval of TAGD's quarterly financial statements to the Executive Committee. The Executive Committee shall review and approve those same recommended quarterly financial statements for distribution to the membership at each TAGD meeting. These documents include profit and loss statements, balance sheets, and other reports as needed and as requested by the Committee. No changes to the approved quarterly financial statements should be made unless approved by the Committee and the Executive Committee.

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Payables

- All payables are paid by check, debit card, or credit card and should be properly entered into the accounting software used to maintain the accounts of record in a timely manner.
- Supporting documents (invoices or receipts) must be kept for each disbursement, and should be marked 'paid,' with the date, check number (as applicable), and budget category for the disbursement on the document.
- Someone in the organization who knows the purpose of the expenditure must approve the invoice.
- The Finance/Budget Committee must approve all TAGD expenditures in excess of \$2,500, except for expenditures that are authorized by contractual agreement, as an approved budget item, or have been otherwise authorized by a vote of the membership.

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Payroll

TAGD will utilize a payroll service to authorize monthly salary and regular reimbursement expenses (such as health insurance premiums) and to make tax deposits on TAGD's behalf. A report summarizing upcoming payroll disbursements will first be submitted to the Treasurer for approval. Payroll disbursements will be made only to bona fide employees and changes to each payroll record will be properly documented. TAGD will ensure that payroll disbursements are properly recorded and that related disbursements (such as payroll tax deposits and retirement funds) are made timely. Payroll will not be released prior to payday, and employee advances are not permitted. Non-regular reimbursements (such as travel expenses) will be paid to the employee in the same manner as all other

payables, and shall be submitted to the Treasurer in a monthly expense report, as set forth in the employment policy.

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Bank Reconciliation

The Executive Director, in coordination with the Treasurer, is responsible for ensuring that TAGD's financial accounts are being reconciled at least quarterly. This responsibility may be contracted out to a qualified professional.

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Tax Returns

The Executive Director, in coordination with the Treasurer, is responsible for ensuring that an annual tax return is filed with the IRS to maintain TAGD's non-profit status. This responsibility may be contracted out to a CPA or tax preparer.

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Investments

It is the policy of TAGD that, after allowing for the anticipated cashflow requirements of the Alliance and giving due consideration to the safety and risk of investment, Alliance funds will be invested in a manner that seeks to optimize interest earnings. Investments shall be made with the primary objectives, stated in the order of priority, of: (1) safety and preservation of principal; (2) maintenance of sufficient liquidity to meet operating needs; and (3) optimization of interest earnings. The Executive Director, in coordination with the Treasurer, shall be responsible for managing the investment of funds.

Other Internal Controls

- Cash withdrawals and drawing checks payable to 'cash' are prohibited.
- All requests for reimbursement and other invoices are checked for mathematical accuracy and reasonableness before approval.
- Signature authority for cash accounts should reside with at least two Board members and the Executive Director.
- The Treasurer shall have independent access to all TAGD financial accounts.
- TAGD's financial records are open for review to any voting member upon request.

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