



Texas Alliance of Groundwater Districts Regular Business Meeting

August 28, 2018

10:00 AM – 11:30 AM

Hill Country Hyatt, San Antonio Texas

Agenda

9:00 -10:00 AM Legislative Committee Meeting

10:00-11:30 AM Annual Business Meeting

- A. Call to Order**
- B. Roll call**
- C. Membership Update and Announcement of New Members**
- D. Discussion and possible action on minutes of prior meeting**
- E. Discussion and possible action on FY18 Q3 financial reports**
- F. Discussion and possible action on FY19 Budget**
- G. Discussion and possible action on Financial Policy amendments**
- H. Officer and Committee Reports**
- I. GMA and Member Updates**
- J. Agency Updates**
- K. Other TAGD Business**

Agenda Item D

Discussion and possible action on minutes of prior meeting

Notes:

- TAGD's Secretary Leah Adams and Executive Director Sarah Schlessinger prepared draft minutes from the May 2018 Regular Business Meeting for your consideration.

**Minutes of
Regular Business Meeting
TEXAS ALLIANCE OF GROUNDWATER DISTRICTS
May 21, 2018
Austin Double Tree Hotel
6505 N Interstate 35, Austin, TX 78752**

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 Dirk Aaron called the meeting to order at 9:05 PM on May 21, 2018 by welcoming the membership, going over the topics for the day, and asking Joe B. Cooper to give the invocation.
- B. Speaker Series**
- a. TWDB Update – Larry French, TWDB
 - b. TCEQ Update – Abiy Berehe, TCEQ
 - c. TDLR Update – Adam Foster, TDLR
 - d. Rules Update – Kristen Fancher, Fancher Legal PLLC
 - e. USGS MODFLOW Application – Daniel Pearson, USGS
- C. Membership Update and Announcement of New Members** President Dirk Aaron announced that TAGD had 85 GCD Members and 43 Associate Members with five new members joining since the last meeting. Adam Friedman, of McElroy, Sullivan, Miller & Weber, RESPEC: Russel Persyn, Wellntel, Inc., Marian Singer or Charles Dunning, Celina Romero of Duggins, Wren, Man, & Romero, and Former Representative John Davis joined as associate members. New members and first-time meeting visitors were asked to stand and introduce themselves.
- D. Roll Call** Secretary Leah Adams called the roll and informed the President that 53 District Members were in attendance, comprising a quorum. A list of GCDs represented at the meeting is attached as Attachment 1.
- E. Discussion and possible action on minutes of prior meeting.** President Dirk Aaron presented the minutes from the last meeting. Ron Fieseler made a motion to approve the minutes. Genell Hobbs seconded the motion. The motion passed unanimously.
- F. Officer and Committee Reports.** President Dirk Aaron asked for Officer and Committee reports:
1. Executive Committee – Dirk Aaron provided a report on the Executive Committee’s activities, including two official meetings since January and approval of legislative action. Dirk also announced that the Executive Committee would be holding standing monthly conference calls in order to stay current with TAGD activities.
 2. Executive Director – Sarah Schlessinger provided a report on TAGD’s fiscal health, activities and collaborations. Sarah also provided a report on recent TAGD successes, events, and opportunities for growth.

3. Legislative Committee – Amber Blount provided a report that each of the subcommittees have met at least once since January and will present updates tomorrow morning at 8:30 am at the scheduled legislative committee meeting.
4. Bylaws Committee – Jim Polonis stated no action to report at this time.
5. Information & Education – Leah Adams stated the group had not meet since January, but that she and Beth were working on some ideas for the committee and welcomed any suggestions from the membership.
6. Finance Committee – Zach Holland provided a report that the items on the agenda today for approval by membership are the recommendations from the committee.
7. Groundwater Protection and Drought Preparedness– Since David Van Dresar was absent at this time, Sarah provided a report that TAGD would be submitting a response to the TDLR’s request for initial comments on a rule revision and signing the TGPC’s strategy update.

G. Member and GMA Reports. Dirk Aaron announced asked if any of the GMAs had an update to report. Kathy Jones with GMA 14 gave an update on their DFC appeal. Gary Westbrook gave an update on the petition against Post Oak Savannah GCD, and the Template Procedural Rules Work Group reported they had met once to determine the scope of their work. Jim Polonis announced he is retiring at the end of the year in January of 2019.

H. Discussion and possible action to approve FY18 Q2 financial reports. Treasurer Zach Holland presented the FY18 Q2 financial reports. Judy Parker moved to approve the FY18 Q2 finances as recommended by the Finance & Budget Committee. Greg Sengelmann seconded the motion. The motion passed unanimously.

I. Discussion and possible action on FY19 Member Dues & Fees. Treasurer Zach Holland presented two options for membership dues and fees increases in FY19, and requested three separate motions for meeting registration rates, GCD dues, and Associate dues. After a discussion of the options, Gary Westbrook moved to approve a \$180 FY19 meeting registration rate, as proposed in option A. Joe B. Cooper seconded the motion. The motion passed unanimously. David Mauk moved to approve a 25% increase in FY19 GCD dues, as proposed in option A. Louie Pena seconded the motion. The motion passed unanimously. Steve Walthour moved to approve a 25% increase in FY19 Associate dues, as proposed in option A. Andy Garza seconded the motion. The motion passed unanimously.

J. Other TAGD Business. President Dirk Aaron asked members for other TAGD business. Steve Walthour announced that North Plains GCD won TCEQ’s Environmental Excellence Award and recognized Kirk Welch’s hard work. Steve Walthour made a motion to nominate Jim Polonis for an Honorary TAGD membership. Gary Westbrook seconded the motion. The motion passed unanimously.

Dirk recessed the meeting for lunch at 11:34 AM. The meeting began after lunch at 1:05 PM.

K. Water Well Drillers Panel – David Rumbelow, Texas Pump & Controls, LLC; Stacey Steinbach, TWCA; Dirk Aaron, CUWCD; Antonio Trejo, Cobra Water Well Drilling, LLC; and Bobby Bazan, POSGCD.

L. Speaker Series

- a. **QGIS: a free and powerful alternative to ARCMAP** – Ross Kushneweit, Intera
- b. **The Changing Law Down Under: A discussion of Texas v New Mexico (SCOTUS), & implications and the immerging legal connection between groundwater and WOTUS** – Jim D. Bradbury, James D. Bradbury, PLLC
- c. **Interim Update** – Robert L. “Robby” Cook III, Gateway Partners; Kristen Fancher, Fancher Legal PLLC

M. Adjournment. Victoria Messer Whitehead made a motion to adjourn the meeting. Alan Day seconded the motion. The motion carried unanimously. President Dirk Aaron adjourned the meeting at 4:05 PM.

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
May 21-22, 2018

1. Bandera Co. River Authority and Groundwater District
2. Barton Springs/Edwards Aquifer Conservation District
3. Blanco-Pedernales Groundwater Conservation District
4. Bluebonnet Groundwater Conservation District
5. Brazoria County Groundwater Conservation District
6. Brazos Valley Groundwater Conservation District
7. Brewster County 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. Culberson County Groundwater Conservation District
15. Duval County Groundwater Conservation District
16. Evergreen Underground Water Conservation District
17. Fayette County Groundwater Conservation District
18. Glasscock Groundwater Conservation District
19. Gonzales County Underground Water Conservation District
20. Headwaters Groundwater Conservation District
21. Hemphill County Underground Water Conservation District
22. High Plains Underground Water Conservation District No. 1
23. Irion County Water Conservation District
24. Kenedy County Groundwater Conservation District
25. Kinney County Groundwater Conservation District
26. Live Oak Underground Water Conservation District
27. Lone Star Groundwater Conservation District
28. Lower Trinity Groundwater Conservation District
29. Mesa Underground Water Conservation District
30. Mesquite Groundwater Conservation District
31. Mid-East Texas Groundwater Conservation District
32. Middle Pecos Groundwater Conservation District
33. Middle Trinity Groundwater Conservation District
34. Neches and Trinity Valleys Groundwater Conservation District
35. North Plains Groundwater Conservation District
36. North Texas Groundwater Conservation District
37. Northern Trinity Groundwater Conservation District
38. Panhandle Groundwater Conservation District
39. Panola County Groundwater Conservation District
40. Plateau Underground Water Conservation District
41. Post Oak Savannah Groundwater Conservation District
42. Prairelands Groundwater Conservation District
43. Real-Edwards Conservation and Reclamation District
44. Red River Groundwater Conservation District
45. Reeves County Groundwater Conservation District
46. Sandy Land Underground Water Conservation District
47. Santa Rita Underground Water Conservation District
48. South Plains Underground Water Conservation District

49. Southeast Texas Groundwater Conservation District
50. Sterling County Underground Water Conservation District
51. Sutton County Groundwater Conservation District
52. Uvalde County Underground Conservation District
53. Wes-Tex Groundwater Conservation District

Agenda Item E

Discussion and possible action on FY18 Q3 Financial Reports

Notes:

- TAGD's Finance & Budget Committee met on July 23, 2018 to review and approve the FY18 Q3 Financials. They reviewed the Balance Sheet, Budget v. Actuals, Transaction List, Check Detail, Reconciliation Reports, and Bank Statements. The Finance & Budget Committee approved TAGD's FY18 Q3 Financials for distribution to the membership unanimously, with the following budget amendments:
 - **Increase our Total Income by \$27,000 (\$19,000 in grants, \$8,000 in member dues), increase total meeting expenses by \$1,900 and decreasing total professional services by \$1,900, with no change to our total expenses.**
- TAGD's Executive Committee met on August 9, 2018 to review TAGD's FY18 Q3 Financials. The Executive Committee approved the FY18 Q3 Financials for distribution to the membership unanimously, with the proposed budget amendments.

FY18 Proposed Budget Amendments

Proposed Amendments Highlighted in Orange

	FY18 Actual	FY18 Budget	EOY Expected Total	Proposed Budget Amendments	FY18 Budget As Amended
Income					
Grants and Donations	19,872.90	0.00	19,872.90	19,000.00	19,000.00
Interest Income	16.86	21.00	22.62	0.00	21.00
Meeting Income					
Technical Training Income	16,140.00	15,000.00	16,140.00	0.00	15,000.00
PFIA Training	4,900.00	3,500.00	4,900.00	0.00	3,500.00
Regular Business Meeting Income	30,785.00	30,000.00	30,785.00	0.00	30,000.00
Texas Groundwater Summit		40,000.00	40,000.00	0.00	40,000.00
Total Meeting Income	51,825.00	88,500.00	91,825.00	0.00	88,500.00
Member Dues					
Membership Dues - Associates	37,125.00	33,000.00	37,125.00	4,000.00	37,000.00
Membership Dues - Voting	79,850.00	75,000.00	79,850.00	4,000.00	79,000.00
Total Member Dues	116,975.00	108,000.00	116,975.00	8,000.00	116,000.00
Total Income	188,689.76	196,521.00	228,695.52	27,000.00	223,521.00
Expenses					
Meeting Expenses					
Technical Training Expenses	7,359.87	4,000.00	7,359.87	3,000.00	7,000.00
Meeting Supplies	959.31	2,000.00	959.31	(1,100.00)	900.00
Regular Business Meeting Expenses	9,400.84	10,000.00	9,400.84	0.00	10,000.00
Total Meeting Expenses	17,720.02	16,000.00	17,720.02	1,900.00	17,900.00
Office Expense					
Cell Phone	1,215.00	1,620.00	1,620.00	0.00	1,620.00
Clerical Duties	156.20	500.00	156.20	0.00	500.00
Furniture and Equipment	1,992.16	1,500.00	1,992.16	0.00	1,500.00
Office Phone	157.36	200.00	208.72	0.00	200.00
Postage and PO Box	287.55	300.00	387.55	0.00	300.00
Rent	9,500.00	12,000.00	11,400.00	0.00	12,000.00
Supplies	962.80	1,300.00	1,162.80	0.00	1,300.00
Website	497.04	1,000.00	997.04	0.00	1,000.00
Total Office Expense	14,768.11	18,420.00	17,924.47	0.00	18,420.00
Personnel					
Executive Director					
Payroll Taxes	4,360.50	5,814.00	5,814.00	0.00	5,814.00
Retirement	2,099.97	4,560.00	4,560.00	0.00	4,560.00
Salaries	56,999.97	76,000.00	75,999.96	0.00	76,000.00
Total Executive Director	63,460.44	86,374.00	86,373.96	0.00	86,374.00
Staff					
Payroll Taxes	3,442.50	4,284.00	4,513.50	229.50	4,513.50
Retirement	1,500.03	3,360.00	3,360.00	0.00	3,360.00
Salaries	45,000.03	56,000.00	59,000.04	3,000.04	59,000.04
Total Staff	49,942.56	63,644.00	66,873.54	3,229.54	66,873.54
Health Insurance-Group Plan	11,164.22	18,000.00	14,444.72	(3,229.54)	14,770.46
Total Personnel	124,567.22	168,018.00	167,692.22	0.00	168,018.00
Professional Services					
Audit/Tax Return	2,546.96	7,000.00	5,296.96	(1,900.00)	5,100.00
Contracted Services	989.28	1,500.00	1,679.28	0.00	1,500.00
Insurance - Bonds	1,503.20	2,500.00	1,829.23	0.00	2,500.00
Member Management Software	390.00	480.00	540.00	0.00	480.00
Payroll/Bookkeeping/Banking	1,980.93	3,000.00	2,867.93	0.00	3,000.00
PFIA Instructor	2,235.00	2,000.00	2,235.00	0.00	2,000.00
Texas Legislative Service	1,433.30	1,800.00	1,863.29	0.00	1,800.00
Total Professional Services	11,078.67	18,280.00	16,311.69	(1,900.00)	16,380.00
Travel/Confer/Dues/Outreach					
Conference Fees	845.00	3,000.00	1,845.00	0.00	3,000.00
Member Dues/Sponsorship	679.00	1,000.00	679.00	0.00	1,000.00
Outreach	1,475.73	2,000.00	1,975.73	0.00	2,000.00
Parking	245.54	500.00	395.54	0.00	500.00
Travel and Hotel	7,282.32	8,000.00	8,282.32	0.00	8,000.00
Total Travel/Confer/Dues/Outreach	10,527.59	14,500.00	13,177.59	0.00	14,500.00
Total Expenses	178,661.61	235,218.00	232,825.99	0.00	235,218.00
Net Operating Income	10,028.15	(38,697.00)	(4,130.47)		(11,697.00)
Net Income	10,028.15	(38,697.00)	(4,130.47)		(11,697.00)

Texas Alliance of Groundwater Districts

BALANCE SHEET

As of July 18, 2018

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
WellsFargo Bank - Checking	78,884.57
WellsFargo Bank - Savings	75,114.52
Total Bank Accounts	\$153,999.09
Accounts Receivable	
Accounts Receivable	150.00
Total Accounts Receivable	\$150.00
Other Current Assets	
Accounts Receivable - Other	63.08
Deposits	400.00
Total Other Current Assets	\$463.08
Total Current Assets	\$154,612.17
TOTAL ASSETS	\$154,612.17
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Wells Fargo Business Card	9,445.90
Total Credit Cards	\$9,445.90
Total Current Liabilities	\$9,445.90
Total Liabilities	\$9,445.90
Equity	
Retained Earnings	0.00
Unrestricted Net Assets	135,138.12
Net Income	10,028.15
Total Equity	\$145,166.27
TOTAL LIABILITIES AND EQUITY	\$154,612.17

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	19,872.90		19,872.90	
Interest Income	16.86	21.00	-4.14	80.29 %
Meeting Income				
PFIA Training	4,900.00	3,500.00	1,400.00	140.00 %
Regular Business Meeting Income	30,785.00	30,000.00	785.00	102.62 %
Technical Training Income	16,140.00	15,000.00	1,140.00	107.60 %
Texas Groundwater Summit		40,000.00	-40,000.00	
Total Meeting Income	51,825.00	88,500.00	-36,675.00	58.56 %
Member Dues				
Membership Dues - Associates	37,125.00	33,000.00	4,125.00	112.50 %
Membership Dues - Voting	79,850.00	75,000.00	4,850.00	106.47 %
Total Member Dues	116,975.00	108,000.00	8,975.00	108.31 %
Total Income	\$188,689.76	\$196,521.00	\$ -7,831.24	96.02 %
GROSS PROFIT	\$188,689.76	\$196,521.00	\$ -7,831.24	96.02 %
Expenses				
Meeting Expenses				
Meeting Supplies	959.31	2,000.00	-1,040.69	47.97 %
Regular Business Meeting Expenses	9,400.84	10,000.00	-599.16	94.01 %
Technical Training Expenses	7,359.87	4,000.00	3,359.87	184.00 %
Total Meeting Expenses	17,720.02	16,000.00	1,720.02	110.75 %
Office Expense				
Cell Phone	1,215.00	1,620.00	-405.00	75.00 %
Clerical Duties	156.20	500.00	-343.80	31.24 %
Furniture and Equipment	1,992.16	1,500.00	492.16	132.81 %
Office Phone	157.36	200.00	-42.64	78.68 %
Postage and PO Box	287.55	300.00	-12.45	95.85 %
Rent	9,500.00	12,000.00	-2,500.00	79.17 %
Supplies	962.80	1,300.00	-337.20	74.06 %
Website	497.04	1,000.00	-502.96	49.70 %
Total Office Expense	14,768.11	18,420.00	-3,651.89	80.17 %
Personnel				
Executive Director				
Payroll Taxes	4,360.50	5,814.00	-1,453.50	75.00 %
Retirement	2,099.97	4,560.00	-2,460.03	46.05 %
Salaries	56,999.97	76,000.00	-19,000.03	75.00 %
Total Executive Director	63,460.44	86,374.00	-22,913.56	73.47 %
Health Insurance-Group Plan	11,164.22	18,000.00	-6,835.78	62.02 %
Staff				
Payroll Taxes	3,442.50	4,284.00	-841.50	80.36 %
Retirement	1,500.03	3,360.00	-1,859.97	44.64 %
Salaries	45,000.03	56,000.00	-10,999.97	80.36 %

	TOTAL			
	ACTUAL	BUDGET	OVER BUDGET	% OF BUDGET
Total Staff	49,942.56	63,644.00	-13,701.44	78.47 %
Total Personnel	124,567.22	168,018.00	-43,450.78	74.14 %
Professional Services				
Audit/Tax Return	2,546.96	7,000.00	-4,453.04	36.39 %
Contracted Services	989.28	1,500.00	-510.72	65.95 %
Insurance - Bonds	1,503.20	2,500.00	-996.80	60.13 %
Member Management Software	390.00	480.00	-90.00	81.25 %
Payroll/Bookkeeping/Banking	1,980.93	3,000.00	-1,019.07	66.03 %
PFA Instructor	2,235.00	2,000.00	235.00	111.75 %
Texas Legislative Service	1,433.30	1,800.00	-366.70	79.63 %
Total Professional Services	11,078.67	18,280.00	-7,201.33	60.61 %
Travel/Confer/Dues/Outreach				
Conference Fees	845.00	3,000.00	-2,155.00	28.17 %
Member Dues/Registrations	679.00	1,000.00	-321.00	67.90 %
Outreach	1,475.73	2,000.00	-524.27	73.79 %
Parking	245.54	500.00	-254.46	49.11 %
Travel and Hotel	7,282.32	8,000.00	-717.68	91.03 %
Total Travel/Confer/Dues/Outreach	10,527.59	14,500.00	-3,972.41	72.60 %
Total Expenses	\$178,661.61	\$235,218.00	\$ -56,556.39	75.96 %
NET OPERATING INCOME	\$10,028.15	\$ -38,697.00	\$48,725.15	-25.91 %
NET INCOME	\$10,028.15	\$ -38,697.00	\$48,725.15	-25.91 %

Agenda Item F

Discussion and possible action on FY19 Budget

Notes:

- TAGD's Finance & Budget Committee met on July 23, 2018 to review the proposed FY19 Budget. They approved TAGD's FY19 Budget for distribution to the membership unanimously.
- TAGD's Executive Committee met on August 9, 2018 to review the proposed FY19 Budget. The Executive Committee approved the proposed FY19 Budget for distribution to the membership unanimously.

FY19 Proposed Budget

	FY18 Budget As Amended	FY19 Proposed Budget
Income		
Grants and Donations	19,000.00	0.00
Interest Income	21.00	21.00
Total Meeting Income	88,500.00	84,375.00
Total Member Dues	116,000.00	145,465.00
Total Income	223,521.00	229,861.00
Expenses		
Total Meeting Expenses	17,900.00	15,390.00
Total Office Expense	18,420.00	19,980.00
Total Personnel	168,018.00	175,218.54
Total Professional Services	16,380.00	12,260.00
Total Travel/Confer/Dues/Outreach	14,500.00	9,000.00
Total Expenses	235,218.00	231,848.54
Net Operating Income	(11,697.00)	(1,987.54)
Net Income	(11,697.00)	(1,987.54)

Detailed FY19 Proposed Budget

	FY18 Budget As Amended	FY19 Proposed Budget	Comments
Income			
Grants and Donations	19,000.00	0.00	
Interest Income	21.00	21.00	
Meeting Income			
Technical Training Income	15,000.00	9,000.00	50 attendees @ \$180/person
PFA Training	3,500.00	4,375.00	25% increase
Regular Business Meeting Income	30,000.00	36,000.00	100 attendees @ \$180/person, 2 meetings
Texas Groundwater Summit	40,000.00	35,000.00	
Total Meeting Income	88,500.00	84,375.00	
Member Dues			
Membership Dues - Associates	37,000.00	46,877.00	25% increase
Membership Dues - Voting	79,000.00	98,588.00	25% increase
Total Member Dues	116,000.00	145,465.00	
Total Income	223,521.00	229,861.00	
Expenses			
Meeting Expenses			
Technical Training Expenses	7,000.00	3,030.00	1% increase
Meeting Supplies	900.00	2,060.00	3% increase
Regular Business Meeting Expenses	10,000.00	10,300.00	3% increase
Total Meeting Expenses	17,900.00	15,390.00	
Office Expense			
Cell Phone	1,620.00	1,620.00	
Clerical Duties	500.00	500.00	
Furniture and Equipment	1,500.00	1,500.00	
Office Phone	200.00	200.00	
Postage and PO Box	300.00	300.00	
Rent	12,000.00	12,360.00	3% increase
Supplies	1,300.00	1,000.00	
Website	1,000.00	2,500.00	IT Service \$180/month; Security Software \$200/yr; Domain \$100/yr
Total Office Expense	18,420.00	19,980.00	
Personnel			
Executive Director			
Payroll Taxes	5,814.00	5,988.42	
Retirement	4,560.00	4,696.80	
Salaries	76,000.00	78,280.00	3% increase
Total Executive Director	86,374.00	88,965.22	
Staff			
Payroll Taxes	4,513.50	4,412.52	
Retirement	3,360.00	3,460.80	
Salaries	59,000.04	57,680.00	3% increase
Total Staff	66,873.54	65,553.32	
Health Insurance-Group Plan	14,770.46	20,700.00	15% increase
Total Personnel	168,018.00	175,218.54	
Professional Services			
Audit/Tax Return	5,100.00	1,000.00	non-Audit year, budgetting for audit
Contracted Services	1,500.00	0.00	currently used for IT services and miscellaneous outsourcing
Insurance - Bonds	2,500.00	2,500.00	
Member Management Software	480.00	1,440.00	WildApricot \$70/month; MailChimp \$50/month
Payroll/Bookkeeping/Banking	3,000.00	3,000.00	
PFA Instructor	2,000.00	2,500.00	25% increase
Texas Legislative Service	1,800.00	1,820.00	
Total Professional Services	16,380.00	12,260.00	
Travel/Confer/Dues/Outreach			
Conference Fees	3,000.00	3,000.00	
Member Dues/Sponsorship	1,000.00	1,000.00	
Outreach	2,000.00	2,000.00	
Parking	500.00	500.00	
Travel and Hotel	8,000.00	2,500.00	FY18 based on Mobile Leadership. FY16 was \$2500, FY17 \$5,000
Total Travel/Confer/Dues/Outreach	14,500.00	9,000.00	
Total Expenses	235,218.00	231,848.54	
Net Operating Income	(11,697.00)	(1,987.54)	
Net Income	(11,697.00)	(1,987.54)	

FY19 Proposed Budget v. FY18 Budget & Actuals

	FY18 Actual	FY18 Budget	FY18 Budget As Amended	FY19 Proposed Budget	Comments
Income					
Grants and Donations	19,872.90	0.00	19,000.00	0.00	
Interest Income	16.86	21.00	21.00	21.00	
Meeting Income					
Technical Training Income	16,140.00	15,000.00	15,000.00	9,000.00	50 attendees @ \$180/person
PFA Training	4,900.00	3,500.00	3,500.00	4,375.00	25% increase
Regular Business Meeting Income	30,785.00	30,000.00	30,000.00	36,000.00	100 attendees @ \$180/person, 2 meetings
Texas Groundwater Summit	40,000.00	40,000.00	40,000.00	35,000.00	
Total Meeting Income	51,825.00	88,500.00	88,500.00	84,375.00	
Member Dues					
Membership Dues - Associates	37,125.00	33,000.00	37,000.00	46,877.00	25% increase
Membership Dues - Voting	79,850.00	75,000.00	79,000.00	98,588.00	25% increase
Total Member Dues	116,975.00	108,000.00	116,000.00	145,465.00	
Total Income	188,689.76	196,521.00	223,521.00	229,861.00	
Expenses					
Meeting Expenses					
Technical Training Expenses	7,359.87	4,000.00	7,000.00	3,030.00	1% increase
Meeting Supplies	959.31	2,000.00	900.00	2,060.00	3% increase
Regular Business Meeting Expenses	9,400.84	10,000.00	10,000.00	10,300.00	3% increase
Total Meeting Expenses	17,720.02	16,000.00	17,900.00	15,390.00	
Office Expense					
Cell Phone	1,250.46	1,620.00	1,620.00	1,620.00	
Clerical Duties	156.20	500.00	500.00	500.00	
Furniture and Equipment	1,992.16	1,500.00	1,500.00	1,500.00	
Office Phone	121.90	200.00	200.00	200.00	
Postage and PO Box	287.55	300.00	300.00	300.00	
Rent	9,500.00	12,000.00	12,000.00	12,360.00	3% increase
Supplies	962.80	1,300.00	1,300.00	1,000.00	
Website	497.04	1,000.00	1,000.00	2,500.00	IT Service \$180/month; Security Software \$200/yr; Domain \$100/yr
Total Office Expense	14,768.11	18,420.00	18,420.00	19,980.00	
Personnel					
Executive Director					
Payroll Taxes	4,360.50	5,814.00	5,814.00	5,988.42	
Retirement	2,099.97	4,560.00	4,560.00	4,696.80	
Salaries	56,999.97	76,000.00	76,000.00	78,280.00	3% increase
Total Executive Director	63,460.44	86,374.00	86,374.00	88,965.22	
Staff					
Payroll Taxes	3,442.50	4,284.00	4,513.50	4,412.52	
Retirement	1,500.03	3,360.00	3,360.00	3,460.80	
Salaries	45,000.03	56,000.00	59,000.04	57,680.00	3% increase
Total Staff	49,942.56	63,644.00	66,873.54	65,553.32	
Health Insurance-Group Plan	11,164.22	18,000.00	14,770.46	20,700.00	15% increase
Total Personnel	124,567.22	168,018.00	168,018.00	175,218.54	
Professional Services					
Audit/Tax Return	2,546.96	7,000.00	5,100.00	1,000.00	non-Audit year, budgetting for audit currently used for IT services and miscellaneous outsourcing
Contracted Services	989.28	1,500.00	1,500.00	0.00	
Insurance - Bonds	1,503.20	2,500.00	2,500.00	2,500.00	WildApricot \$70/month; MailChimp \$50/month
Member Management Software	390.00	480.00	480.00	1,440.00	
Payroll/Bookkeeping/Banking	1,980.93	3,000.00	3,000.00	3,000.00	
PFA Instructor	2,235.00	2,000.00	2,000.00	2,500.00	25% increase
Texas Legislative Service	1,433.30	1,800.00	1,800.00	1,820.00	
Total Professional Services	11,078.67	18,280.00	16,380.00	12,260.00	
Travel/Confer/Dues/Outreach					
Conference Fees	845.00	3,000.00	3,000.00	3,000.00	
Member Dues/Sponsorship	679.00	1,000.00	1,000.00	1,000.00	
Outreach	1,475.73	2,000.00	2,000.00	2,000.00	
Parking	245.54	500.00	500.00	500.00	
Travel and Hotel	7,282.32	8,000.00	8,000.00	2,500.00	FY18 based on Mobile Leadership. FY16 was \$2500, FY17 \$5,000
Total Travel/Confer/Dues/Outreach	10,527.59	14,500.00	14,500.00	9,000.00	
Total Expenses	178,661.61	235,218.00	235,218.00	231,848.54	
Net Operating Income	10,028.15	(38,697.00)	(11,697.00)	(1,987.54)	
Net Income	10,028.15	(38,697.00)	(11,697.00)	(1,987.54)	

Agenda Item G

Discussion and possible action on Financial Policy Amendments

Notes:

- TAGD's Finance & Budget Committee met on July 23, 2018 to review proposed Financial Policy amendments. The proposed amendments were approved for distribution to the membership unanimously.
- TAGD's Executive Committee met on August 9, 2018 to review the proposed Financial Policy amendments. The proposed amendments were approved for distribution to the membership unanimously.

**Texas Alliance of Groundwater Districts
Financial Policy
Adopted February 20, 2014
Amendments Adopted August 28, 2018**

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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. 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

- 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.
- 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:
 - 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 have been offset by new and confirmed revenue that will be added to the budget at the

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same time as the new expenditure, such as through donations or grants; 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 not be offset by new and confirmed revenue that will be added to the budget at the same time as the new expenditure.
- 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.

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.
- The Committee is responsible for selecting an external accounting firm to conduct a complete financial audit of TAGD's finances upon a recommendation and approval by the Committee and Executive Committee or by request from a majority of the Membership acted upon at a TAGD business meeting.

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.

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.
- The Treasurer will review deposits at least quarterly.

Financial Statements

The Committee shall approve and provide quarterly financial statements 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.

Payables

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<#>One of the three (3) members appointed by the President of the Committee shall be designated as the Financial Review Committee Chair.¶
<#>The Financial Review Committee Chair will solicit interest in serving to complete a financial review from the voting membership. The Chair shall select two (2) individuals who are not currently on the Executive Committee or Finance/Budget Committee and have not served on the Executive Committee, Finance/Budget Committee or Financial Review Committee in the previous two (2) years.¶
<#>Financial review standards and procedures should follow the guideline document found as Appendix A of the approved Financial Policy.¶

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- 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 and Budget Committee must approve all TAGD expenditures in excess of \$1,000, except for payments that are authorized by contractual agreement or have a regular, recurring payment schedule when such expenditures are either an approved budget item or have been authorized by a vote of the membership.
- Two signatures will be required on all payments of \$1,000 or more, except for payments that are authorized by contractual agreement or have a regular, recurring payment schedule when such expenditures are either an approved budget item or have been authorized by a vote of the membership.

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. 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.

Bank Reconciliation

The Treasurer is responsible for reconciling TAGD's bank statements. This responsibility may be contracted out to a qualified professional.

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Tax Returns

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.

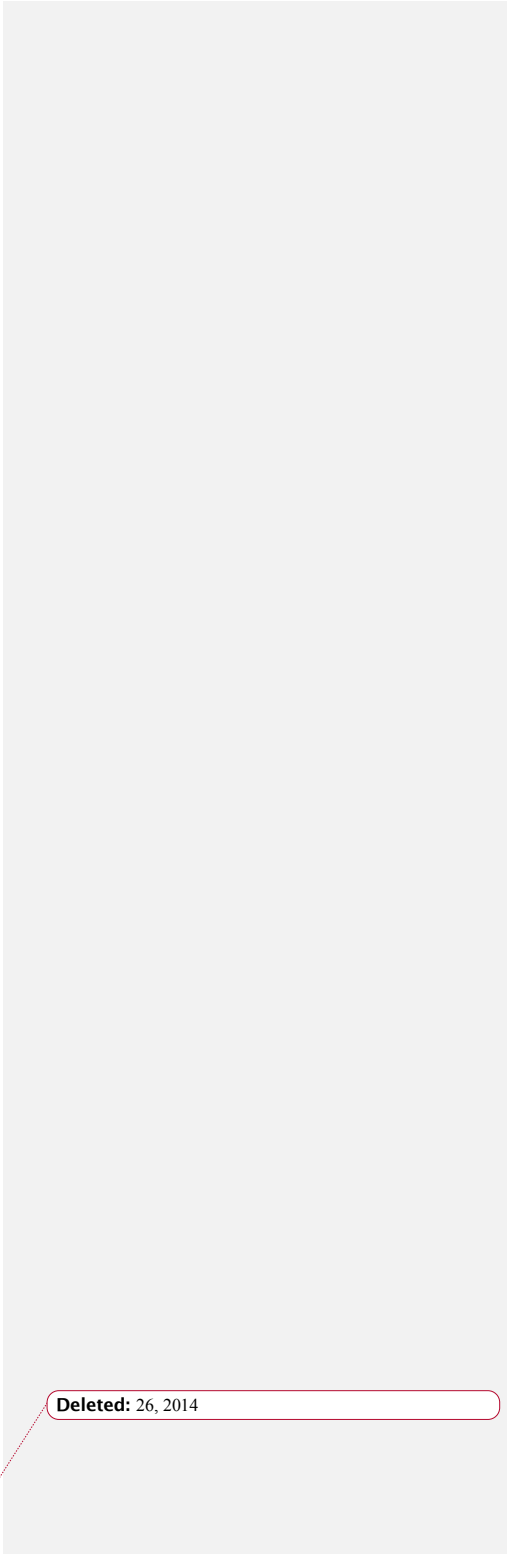
Other Internal Controls

- 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 Executive Committee members as well as the Executive Director.

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- TAGD's financial records are open for review to any voting member upon request.



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