



TEXAS ALLIANCE OF GROUNDWATER DISTRICTS BYLAWS  
June 8, 2021

**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 501(c)(3) 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 District Member 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. At the completion of such complimentary membership, such a district is entitled to become a Voting Member upon payment of appropriate dues and registration fees.

- c. **Suspended Member.** A District Member 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 District 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.

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 in accordance with Article 4.0(A)(2)(c)(2).
  - c. Suspended Member: In accordance with Article 4.0(A)(2)(c)(3).
2. Associate Membership: Each Associate Member of the Alliance shall be assessed annual dues as applicable.

- B. Fees. The Alliance may charge fees for regular business meetings and other Alliance-hosted seminars/events/trainings as determined to be necessary to offset expenses and generate income. 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 Members at the spring meeting of the Alliance. In advance of the spring meeting, the Finance/Budget Committee shall recommend proposed dues and fees to the Executive Committee. The Executive Committee shall then present proposed dues and fees to the membership for action at the spring meeting of the Alliance. The Voting Members of the Alliance shall set:
1. the amount of regular business meeting registration fees;
  2. the amount of annual District Membership dues; and
  3. 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 1 of 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 all new members 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. The Treasurer or his/her designee shall assess registration fees for attendees of the regular meetings 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 Voting Members or Executive Committee. No less than three regular business meetings shall 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 either 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 meetings of the Alliance and an agenda shall be given 72 hours prior to the meeting to all members of the Alliance. This notice may be posted on the Alliance website or by telephone, fax, or email.
- 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 approval by the Voting Members present at the meeting, the meeting may be closed to include only District Members.
- E. Non-Member Participation. 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.

#### **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 District Member 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.
- E. Unless otherwise specified in these Bylaws, action on Alliance business shall require a simple majority vote of the Voting Members present at a meeting.

#### **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 Voting Members 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 posted to the Alliance website and mailed, emailed, or faxed to all members within 30 calendar days of adoption.

#### **Article 10.0: POLICY STATEMENTS**

The Voting Members 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 Voting Members 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 Voting Members 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 to 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. An officer may designate the Executive Director or TAGD contractor to perform activities required to carry out his/her responsibilities set forth in these Bylaws.

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 meetings of the Alliance 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 of the membership 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 Voting Members 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 consider and, at least 30 days prior to a scheduled election of officers, present to the membership in writing one or two qualified candidates for each office listed in Article 12.0 of these bylaws to appear on the election ballot. In fulfilling its duties:
  1. the Nominating Committee shall solicit suggestions from the membership at large for the committee's consideration.
  2. the Nominating Committee is not limited to suggestions made by the membership at large and may consider any qualified Voting Member in fulfilling its duties.
- C. Following the Nominating Committee's presentation of one or two qualified candidates to the membership, written nominations from Voting Members will be accepted if received at least 14 days prior to the regular business meeting at which the election will occur. Nominations in writing shall be submitted to the Parliamentarian and Executive Director. Prior to including any such nominated candidates on the ballot, the Parliamentarian and Executive Director shall confirm whether the individual accepts or declines the nomination. At least 72 hours prior to the scheduled

election, the Parliamentarian and Executive Director shall notify the membership of any additional candidates that have been nominated in writing and have agreed to appear on the ballot.

- D. Additional nominations may be made from the floor by any Voting Member of the Alliance.
- E. Each officer of the Alliance shall be elected by a majority vote of the Voting Members present.
- F. 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 TAGD 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 hiring an Executive Director 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 Alliance.
  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. This committee shall be responsible for identifying, evaluating, and presenting to the membership qualified candidates for election to each office of the Alliance, and in so doing solicit suggestions from the membership at large for the committee's consideration.
- F. BY-LAWS---This committee shall be responsible for:
1. Reviewing and considering changes to TAGD bylaws, policies, and action plans.
  2. Ensuring that TAGD activities and/or programs operate within the established policy guidelines.
  3. Performing 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 President and 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 District 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 Voting Members 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 Voting Members present at a regular or special meeting of the Alliance. 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 June 8, 2021.**



Zach Holland, President



Greg Sengelmann, Secretary