

TEXAS ALLIANCE OF GROUNDWATER DISTRICTS

Executive Committee Meeting
Thursday, July 25, 2024, 10:00 AM
GoToMeeting Video Conference Call
Minutes

- A. Call to order.** President David Bailey called the meeting to order at 10:03 am. Executive Committee members Amber Blount, Kelley Cochran, Andy Garza, Janet Guthrie, Zach Holland, Stephanie Keith, Dave Mauk, Doug Shaw, and Diana Thomas were present. Also present were Executive Director Adam Foster, Director of Programs & Communications Julia Stanford, and Manager of Administration Annick P. Maddox. Haley Davis was absent from the call.
- B. Review and possible action on minutes from prior meetings.** President David Bailey presented the minutes from the June 20, 2024 Executive Committee meeting. Kelley Cochran made a motion to approve the minutes. Zach Holland seconded the motion. The motion carried unanimously.
- C. Executive Director report.** President David Bailey asked Executive Director Adam Foster to provide an update on TAGD activities. Adam provided updates on various matters. He discussed a possible honorarium or other recognition for JD Head. He explained that TAGD's savings and investments remain robust, projecting earnings of over \$18,000 next year based on current interest rates and CDs. He mentioned speaking with a Wells Fargo representative about potential investment strategy changes, including options like CDs and mutual funds, with fees potentially reduced to 1% due to TAGD's nonprofit status. Regarding summit updates, Adam noted that Ben Masters canceled but we now have Hurricane Hal, current registration stands at 419 with an estimated additional 50-75 attendees, and sponsorships have been progressing better than anticipated. The GCD Index was updated last month and is now live, with Julia presenting the updates at two events, including the TWCA conference in Arlington. Adam also touched on rulemaking for GACs and 31 TAC Ch 356. Amber asked about registration numbers from the previous year, to which Julia and Adam responded.
- Amber also brought up a recent Supreme Court ruling, and its potential impact on state agencies. Diana explained the "Chevron deference" concept, and Zach confirmed hearing similar questions. David noted that time will reveal its effects.
- D. Discussion and possible action on FY24 Q3 finances.** President David Bailey asked Treasurer Janet Guthrie to present the FY24 Q3 finances. Janet shared that the Finance and Budget Committee met the previous week to consider and approve the FY24 Q3 finances. She then noted that current finances are on track and TAGD's assets remain strong. Janet explained that budget variances were due to timing issues between income and expenses. Adam then noted TAGD's unrestricted net

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assets of \$508k, up from \$422k last year, and summit income for Q3 was at \$214k, significantly higher than the previous year's \$180k at the same time last year. Adam added details on expenses, including overlap in salary payments due to the leadership transition. Zach Holland made a motion to approve the FY24 Q3 finances. Andy Garza seconded the motion. The motion carried unanimously.

E. Discussion and possible action on proposed FY25 budget. President David Bailey introduced the discussion and turned it over to Treasurer Janet Guthrie and Adam Foster. Janet explained that the proposed budget reflects a true operating budget format, with bonuses and reserve fund allocations listed separately for clarity.

Adam then highlighted key changes since the May draft, including adjusts to membership dues reflecting the increase in dues for Level 4, 5, and the newly created Level 6 category, increased staff salaries reflecting title changes and additional responsibilities, and savings from Julia electing a health insurance stipend over coverage. He then noted the proposed budget projects a net income of \$9,980. Diana asked about the timing of expenses, and Adam responded that most occur in Q4.

At 10:37 am, President David Baily asked staff to leave the meeting. He then led a discussion regarding the Finance and Budget Committee's recommendation to increase the Executive Director salary, ranging from \$0 to \$9,980, the projected net income in the proposed FY25 budget. David noted that TAGD Bylaws state that an Executive Director review and salary evaluation should be executed no later than May 1st annually. However, due to the short tenure of Executive Director Adam Foster, the evaluation by TAGD Officers was not executed. David proposed the following options for discussion:

- 1) No change to the Executive Director salary of \$105,000;
- 2) Increase the salary by an amount recommended by the Executive Committee Officers;
- 3) Perform the Executive Director evaluation later in the year. Any salary increase recommendation made by TAGD Officers would then be recommended to the full Executive Committee for approval. If approved, the salary increase amount would result in a proposed FY25 Budget amendment to the TAGD membership.

David then asked for other options and opened the meeting up for discussion.

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Zach Holland asked for clarification on the reasoning behind the Finance and Budget Committee's recommendation to the Executive Committee. Janet Guthrie and Doug Shaw explained that since the 90-day employee review had not been conducted, waiting over 12 months was an unreasonable time frame. If the employee evaluation was conducted in the middle of the fiscal year, it could also potentially result in a budget amendment if a recommendation for a salary increase was proposed. The amendment would need to be presented and voted upon by the full membership. Zach Holland and Amber Blount both expressed that a salary treatment should be associated with a formal review process and the review and any salary recommendations should be finalized by the end of 2024. The committee agreed that performing the formal review in 2024 would allow the review cycle to get back on track for the FY26 budget planning process.

Another option was proposed to move the proposed FY25 net income amount of \$9,980 to the Executive Director category in the proposed FY25 budget, allowing for a potential salary increase. The line item will be clarified, stating that the TAGD Officers will conduct a formal review and make any salary increase recommendations within the range of \$0 to \$9,980. The salary increase would take effect on January 1, 2025, following Executive Committee approval.

Doug Shaw made a motion to move the proposed operating net income of \$9,980 into the Executive Director category, with the understanding that the TAGD Officers will complete the Executive Director evaluation towards the end of FY24 and make a salary treatment recommendation to the Executive Committee. The salary treatment shall go into effect on January 1, 2025. Dave Mauk seconded the motion as presented. The motion carried unanimously.

Staff were invited back into the meeting at 11:08 am. Zach Holland moved to approve the proposed FY25 budget with the adjustments to Executive Director category. Doug Shaw seconded the motion. The motion carried unanimously.

- F. Discussion and possible action on proposals from Hyatt Regency Hill Country Resort for the 2025 and 2026 Texas Groundwater Summits.** President David Bailey introduced the discussion and turned it over to Adam and Julia. Julia presented two date options for the 2025 Summit (August 11-14 or August 18-21) and two date options for the 2026 Summit (August 17-20 or August 31-September 3). Julia highlighted the Hyatt's competitive rate and venue quality. There was then a discussion on dates, and it was noted that earlier dates conflict with the start of the school year, while later dates align better with hunting season and board meeting

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schedules. Kelly Cochran moved to approve August 18-21 for 2025 and August 31-September 3 for 2026. Doug Shaw seconded the motion. The motion carried unanimously.

- G. Discussion and possible action on proposals from Courtyard Marriot Pflugerville for the 2025 Business Meetings.** President David Bailey introduced the discussion and turned it over to Julia. Julia presented options for January and June 2025 meetings at the Courtyard Marriot in Pflugerville, with proposed dates of January 15-16 and June 11-12. Concerns were raised about the location's accessibility and amenities as well as the proposed dates. Members discussed alternate dates and venues, and Julia agreed to explore additional options and send a poll to finalize dates and locations. No action taken.
- H. Discussion and possible action on other matters before the committee.** President David Bailey announced he will be hosting a breakfast for the Executive Committee and Finance & Budget Committee at the Springhouse Cafe during the upcoming Summit. Amber requested finalizing leadership retreat dates, which David confirmed as November 18-19. Julia shared that Haley may not be able to attend the leadership retreat.
- I. Adjournment.** President David Bailey adjourned the meeting at 11:53 pm.