



TWCA Executive Committee Meeting

Wednesday, May 10, 3pm

Via Zoom: <https://us02web.zoom.us/j/89062756780>

AGENDA

1. Committee Membership
2. Financial Matters:
 - a. Discussion/possible action on current financial reports
 - b. Discussion/possible action on draft Financial Policies and Procedures Manual
3. Conferences
 - a. Current contracted dates
 - b. Discussion/possible action on fall conference proposals
 - 2025: San Antonio RiverCenter (recommend approval)
 - 2026: San Antonio RiverWalk (still waiting on other proposals)
4. Membership Update – Adeline Fox
5. Legislative Update – Sarah Kirkle
6. TGWA Transition Update
7. Any other business/updates

TWCA EXECUTIVE COMMITTEE ROSTER

President Walt Sears
Northeast Texas MWD

**President-Elect
Lyn Clancy**
Lower Colorado River Authority

**Immediate Past President
Kathy Turner Jones**
Prairielands GCD

President-Elect beginning June 1
Wayne Owen, Northeast Texas MWD
Treasurer
Mike Booth, Booth & Associates

DRAINAGE DISTRICT

Chair: Allen Sims, Jefferson County Drainage District #7 – 2025
Vice Chair: Craig Kalkomey, LJA Engineering – 2024

GENERAL & ENVIRONMENTAL

Chair: Carolyn Ahrens, Booth/Ahrens – 2024
Vice Chair: Ed Shackelford, San Jacinto River Authority – 2024

GROUNDWATER

Chair: Drew Satterwhite, Canadian River Municipal Water Authority – 2025
Vice Chair: Mike Turco, Harris-Galveston Subsidence District – 2024

INDUSTRIAL

Chair: Ty Embrey, Lloyd Gosselink Rochelle & Townsend, P.C. – 2025
Vice Chair: Liz Fazio Hale, Gulf Coast Authority – 2026

IRRIGATION

Chair: Troy Allen, Delta Lake Irrigation District – 2025
Vice Chair: Glenn Jarvis, Law Offices of Glenn Jarvis – 2024

MUNICIPAL

Chair: Denis Qualls, City of Dallas – 2024
Vice Chair: Heather Cooke, Austin Water – 2025

NAVIGATION & FLOOD CONTROL

Chair: Emily Rogers, Bickerstaff Heath Delgado Acosta – 2025
Vice Chair: Dan Buhman, Tarrant Regional Water District – 2026

RIVER AUTHORITIES

Chair: Kevin Ward, Trinity River Authority – 2025
Vice Chair: Scott Hall, Lower Neches Valley Authority – 2025

UTILITY DISTRICTS

Chair: Darrell Grubbs, Titus Co. Fresh Water Supply District #1 – 2025
Vice Chair: Alia Vinson, Allen Boone Humphries Robinson – 2026

TWCA RISK MANAGEMENT FUND REPRESENTATIVES

Jace Houston, San Jacinto River Authority – 2026
Jonathan Stinson, Guadalupe-Blanco River Authority – 2026

Texas Water Conservation Association

Balance Sheet

As of May 4, 2023

	TOTAL	
	AS OF MAY 4, 2023	AS OF MAY 4, 2022 (PY)
ASSETS		
Current Assets		
Bank Accounts		
1025 TWCA - Checking 6129	474,681.93	268,844.67
AffiniPay Clearing	1.00	
PayPal Bank	0.00	0.00
TWCA - Savings 9926	21,569.73	21,567.79
Total Bank Accounts	\$496,252.66	\$290,412.46
Accounts Receivable	\$0.00	\$545.50
Other Current Assets		
1300 Principal Financial Stock	15,225.08	15,225.08
1810 Austin Club Membership	500.00	500.00
Payroll Refunds	22.50	22.50
Prepaid Expenses	1,300.00	300.00
Stripe Clearing Refunds - Acodei	-625.66	
Uncategorized Asset	0.00	0.00
Undeposited Funds	11,267.89	10,978.21
Total Other Current Assets	\$27,689.81	\$27,025.79
Total Current Assets	\$523,942.47	\$317,983.75
Fixed Assets		
Other Assets	\$2,807.00	\$2,807.00
1301 Lease and Other Deposits	12,894.50	6,725.28
Total Other Assets	\$12,894.50	\$6,725.28
TOTAL ASSETS	\$539,643.97	\$327,516.03
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable	\$0.00	\$0.00
Other Current Liabilities		
Direct Deposit Payable	0.00	0.00
EARMARKED FUNDS		
Legal Advocacy Fund Deposits	21,556.00	21,556.00
Payroll Liabilities	-7,844.31	0.00
Total Other Current Liabilities	\$13,711.69	\$21,556.00
Total Current Liabilities	\$13,711.69	\$21,556.00
Total Liabilities	\$13,711.69	\$21,556.00
Equity		
3010 Fund Balance	5,569.03	5,569.03
3015 Fund Balance - Equipment Replace Fund	7,898.00	7,898.00
Retained Earnings	274,986.04	153,289.57
Net Income	237,479.21	139,203.43

	TOTAL	
	AS OF MAY 4, 2023	AS OF MAY 4, 2022 (PY)
Total Equity	\$525,932.28	\$305,960.03
TOTAL LIABILITIES AND EQUITY	\$539,643.97	\$327,516.03

Texas Water Conservation Association

Profit and Loss

January 1 - May 4, 2023

	TOTAL	
	JAN 1 - MAY 4, 2023	JAN 1 - MAY 4, 2022 (PY)
Income		
4000 Membership Dues Income	208,569.00	171,591.00
4110 Legislative News Subscriptions	40,762.50	
4200 Annual Convention Income	261,565.00	219,076.00
4220 Summer Conference Income	92,085.00	71,205.00
4240 Other Meeting Income	18,200.00	4,426.00
4250 Fall Conference Income	13,095.00	395.00
4300 TGWA Management Fee	46,000.00	77,500.00
4500 Risk Management Fund Income	52,020.00	63,750.00
4600 Reimbursable Expense Income	116.04	130.73
Confluence Income		3,999.00
Uncategorized Income	2.00	
Total Income	\$732,414.54	\$612,072.73
GROSS PROFIT	\$732,414.54	\$612,072.73
Expenses		
5100 Administrative Expenses	4,695.73	3,687.92
5500 Annual Convention	135,292.60	127,256.64
5530 Summer Conference	11,548.28	800.00
5540 Texas Water Day	12,117.32	
5550 Fall Conference	80.11	1,326.11
5570 Other Meetings Expense		2,594.55
5590 Board Expenses	1,000.00	1,000.00
5650 Travel, Education, and Outreach	7,066.58	2,585.33
5710 NWRA Dues	17,558.00	17,046.50
5800 Office Expenses and Supplies	5,865.12	10,108.55
5820 Office Lease	25,330.53	41,099.05
6000 IT and Website	15,196.31	12,567.71
Personnel	259,528.32	253,140.99
Uncategorized Expense	0.00	
Total Expenses	\$495,278.90	\$473,213.35
NET OPERATING INCOME	\$237,135.64	\$138,859.38
Other Income		
4100 Interest Earned	343.57	344.05
Total Other Income	\$343.57	\$344.05
NET OTHER INCOME	\$343.57	\$344.05
NET INCOME	\$237,479.21	\$139,203.43

Texas Water Conservation Association

Budget vs. Actuals: 2023 TWCA Budget - FY23 P&L

January - December 2023

	TOTAL	
	ACTUAL	BUDGET
Income		
4000 Membership Dues Income	208,569.00	444,050.00
4110 Legislative News Subscriptions	40,762.50	34,000.00
4200 Annual Convention Income	261,565.00	250,000.00
4220 Summer Conference Income	92,085.00	210,000.00
4240 Other Meeting Income	18,200.00	32,000.00
4250 Fall Conference Income	13,095.00	220,000.00
4300 TGWA Management Fee	46,000.00	76,000.00
4500 Risk Management Fund Income	52,020.00	156,075.00
4600 Reimbursable Expense Income	116.04	5,000.00
Confluence Income		12,000.00
Uncategorized Income	2.00	
Total Income	\$732,414.54	\$1,439,125.00
GROSS PROFIT	\$732,414.54	\$1,439,125.00
Expenses		
5100 Administrative Expenses	4,695.73	15,000.00
5500 Annual Convention	135,292.60	150,000.00
5530 Summer Conference	11,548.28	90,000.00
5540 Texas Water Day	12,117.32	20,000.00
5550 Fall Conference	80.11	100,000.00
5570 Other Meetings Expense		34,000.00
5590 Board Expenses	1,000.00	
5650 Travel, Education, and Outreach	7,066.58	33,000.00
5710 NWRA Dues	17,558.00	35,116.00
5800 Office Expenses and Supplies	5,865.12	30,000.00
5820 Office Lease	25,330.53	75,000.00
6000 IT and Website	15,196.31	40,000.00
Personnel	259,528.32	800,000.00
Uncategorized Expense	0.00	
Total Expenses	\$495,278.90	\$1,422,116.00
NET OPERATING INCOME	\$237,135.64	\$17,009.00
Other Income		
4100 Interest Earned	343.57	500.00
Total Other Income	\$343.57	\$500.00
NET OTHER INCOME	\$343.57	\$500.00
NET INCOME	\$237,479.21	\$17,509.00



Financial Policies and Procedures Manual

INTRODUCTION

The Texas Water Conservation Association (TWCA) is an association of water professionals dedicated to promoting sound water policy for Texas. Its members provide water, wastewater, and or flood response services to the majority of Texans and include river authorities, municipalities, water providers, groundwater conservation districts, irrigation and drainage districts, and the engineering, legal, and consulting firms that support the state's water industry. Founded in 1944, TWCA is exempt from taxation under Section 501(c)4 of the Internal Revenue Code. Its fiscal year is January 1 through December 31.

PURPOSE

The policies and procedures discussed herein address various accounting and financial guidelines designed to enhance financial accountability and transparency, eliminate misunderstandings, and protect the assets and viability of TWCA. It is the responsibility of the TWCA Board of Directors, Executive Committee, Finance Committee, Treasurer, and Executive Director to ensure sound accounting practices and internal controls. While every effort is made to keep this manual up to date, all items referenced herein are subject to modification, amendment, or deletion.

FINANCIAL REVIEW AND REPORTING

Finance Committee. The Finance Committee is a subcommittee of TWCA's Executive Committee. It includes the past president, president, and president-elect of TWCA, the Treasurer, and either the most recent past president whose term has expired (from June 1 through the December board meeting) or the newly elected president-elect before taking office (from the December board meeting to June 1).

Annual Budget. Each fall, the Executive Director works with the Treasurer and Finance Committee to prepare a draft budget for the following year for presentation to the Executive Committee. The Executive Committee then recommends for approval an annual budget to the Board of Directors at its 4th quarterly meeting. All budgets are prepared on a zero-based budgeting system with sufficient detail to identify revenue and expenditures by program and project in accordance with the TWCA chart of accounts. Amendments to the annual budget are based on the recommendation of the Executive Committee and subject to approved by the Board of Directors.

Financial Statements. It is the policy of TWCA to prepare and distribute financial statements to the Treasurer at least monthly and to the Board of Directors at least quarterly for approval. The statements include a Balance Sheet, a Profit and Loss Statement, and a Budget versus Actuals. Current financial statements, bank statements, and records are available to any TWCA member upon request.

Financial Review and Audit. It is the policy of TWCA to ensure that its financials are reviewed on an annual basis by an independent certified public accounting firm. TWCA conducts a full audit for odd-numbered years and an annual review for even-numbered years. The performance of the CPA firm conducting the annual review/audit is evaluated by the Treasurer in conjunction with the Finance

Committee. If applicable, and at least once every five years except when extenuating circumstances exist, an RFP will be developed and distributed for the sole intent of hiring a new CPA firm, subject to approval of the Executive Committee.

Tax Return. TWCA is required to file a Form 990 annual tax return with the Internal Revenue Service. The Executive Director and Treasurer oversee the filing of the return by the CPA firm.

HANDLING OF MONEY

TWCA uses a system of internal controls and procedures for handling money, adopts auditor recommendations, and strives for accuracy in all financial matters. It does not tolerate fraud or misappropriation of funds under any circumstances. All such cases are treated equally and consistently, working in full cooperation with legal authorities as necessary. Any person involved in fraudulent activity is subject to civil action and criminal penalties.

Segregation of Duties. It is the policy of TWCA to ensure an adequate segregation of responsibilities related to all financial operations, including cash receipts, bank deposits, bank statement reconciliations, invoice approval, check preparation, check signing, and expense reimbursement approvals. TWCA utilizes the oversight of three employees, a volunteer Treasurer, and external third-party consultants to conduct these tasks as outlined herein.

Banking. All receipts are entered in a permanent record and deposited in a FDIC bank in the City of Austin, Texas, to the credit of TWCA. The Treasurer, external bookkeeper, and CPA firm have independent access to TWCA's electronic bank statements (view only).

Incoming Payments and Receipts. TWCA receives payment for membership dues, conference and meeting registrations, subscription services, sponsorships, and management fees. TWCA accepts paper payments (checks and rarely, cash) and online payments (ACH transfers and echecks, debit card payments, and credit card payments). TWCA's membership management system (MMS) serves as its official payment log.

Online Payments. Online payments are automatically logged in the MMS through the independent payment processor, synced with TWCA's financial software, and deposited into TWCA's bank account. Staff ensures that invoices paid electronically are marked as paid and properly coded.

Paper Payments. Upon receipt of payment via mail or at the conclusion of TWCA events where payments are collected in person, staff enters all payments into the MMS by marking the pending invoice as paid and logging the payment method and check number, as applicable. All checks and cash with the corresponding receipt or form are then be provided to a second staff person for entry into TWCA's financial software and deposit into the proper bank account.

Outgoing Payables and Checks. All payables are paid by check, electronic check, debit card, or credit card, and supporting documents are kept for each disbursement. Unused checks are pre-numbered and stored under lock and key. The signing of blank checks is prohibited.

All invoices that are not routine budgeted expenses require approval by the Executive Director either by initialing a paper copy of the invoice or sending an electronic record of approval. Routine budgeted

expenses include rent, postage and printing costs, recurring software fees, office supplies, and other expenses that are part of TWCA's ongoing operation. Non-budgeted expenses greater than \$5,000 require written approval from the Treasurer or President and, if necessary, a budget amendment as outlined above.

Payroll and Benefits. TWCA uses a third-party software to run payroll twice each month and to remit payroll taxes to the Internal Revenue Service, subject to approval of the Executive Director. Any employee share of health insurance costs is automatically deducted from the employee's payroll. The finance director is responsible for making monthly pension contributions to the retirement accounts of qualified employees.

Expense Reports. Expense reports may be submitted monthly, quarterly, or immediately after the expense has been incurred. All charges except tips and tolls require a receipt or credit card documentation supporting the expense. Travel expenses require pre-approval by the Executive Director. TWCA reimburses TWCA business travel via personal automobile at the published Internal Revenue Service rate. Employee expense reports require approval of two director-level staff members before disbursements can be made. All requests for reimbursement and other invoices are checked for mathematical accuracy and reasonableness before approval.

Reconciliation. TWCA uses an external bookkeeping service to perform a monthly reconciliation between its financial software and bank statements.

OPERATING AND RESERVE FUNDS

The purpose of this section is to set forth the policy and operational factors governing the management of TWCA's financial assets, excluding property. This statement will serve to direct the management of funds by the TWCA Finance Committee, Treasurer, Executive Director, and investment advisor as applicable.

Operating Fund. The purpose of the Operating Fund is to provide sufficient cash to meet the day-to-day financial obligations of TWCA in a timely manner. These funds are held in a checking account in TWCA's name and should be at least \$100,000 but no more than \$250,000 unless on a temporary basis or otherwise directed by the Executive Committee.

Legal Advocacy Fund. The purpose of the Legal Advocacy Fund is to participate in administrative or judicial proceedings as necessary to further TWCA's mission and protect the interests of membership when issues of common concern arise. This fund is made up of member donations and held in a separate checking or savings account in TWCA's name with a target balance of \$25,000- \$50,000. Once this fund falls below \$25,000, the Chair of the Water Laws Committee may solicit additional donations from the Board of Directors or membership. Monies from this fund may be spent only in accordance with TWCA's Amicus Brief Policy.

Reserve Fund. The purpose of the Reserve Fund is to provide reserves for TWCA in the event of a revenue shortfall during the operating year. Excess cash funds not needed in the normal course of TWCA operations should be deposited into this fund. The fund will seek a target balance of 50% of TWCA's annual operations budget. The first \$250,000 of this fund should be considered short-term in its investment time horizon with an objective of preserving capital and liquidity first and optimization

of return second. Upon approval from the Treasurer, the Executive Director may invest these funds in separate interest-bearing checking or savings accounts, Certificates of Deposit at insured commercial banking institutions, or money market funds that invest in government backed securities.

It is anticipated that the services of a registered investment advisor will be sought to manage investment of the Reserve Fund once it exceeds \$250,000. Based on the recommendation of an investment advisor and as approved by the TWCA Board of Directors, these funds may be invested in all manner of diversified funds including mutual funds, closed end funds, exchange traded funds, unit investment trusts, common trust funds, and separately managed accounts. The investment advisor will be charged with assembling a portfolio that is diversified by asset class, investment style, and geographic area. At no time may the investment advisor disproportionately weigh any TWCA portfolio to any one investment fund, asset class, or investment style.

INSURANCE

TWCA will protect its assets and manage risks and by carrying appropriate insurance. At a minimum, TWCA will carry insurance covering commercial general liability, directors and officers liability, employment practices liability, and workers compensation. The Finance Committee will review TWCA's insurance policies periodically to ensure adequate coverage.

DRAFT



Upcoming TWCA Conference Dates and Locations As of May 2023

2023

- Annual Convention: March 1-3, 2023, Hyatt Lost Pines, Bastrop
- Summer Conference: June 14-16, 2023, The Woodlands Resort
- Fall Conference: November 1-3, 2023, Marriott RiverCenter San Antonio
- Board Holiday Dinner and Meeting: December 8-9, 2023, Omni Austin Downtown

2024

- Annual Convention: March 6-8, 2024, Hyatt Lost Pines, Bastrop
- Summer Conference: June 2024: June 12-14, 2024, Loews Arlington
- Fall Conference: October 23-25, 2024, Marriott RiverCenter San Antonio
- Board Holiday Dinner and Meeting: TBD

2025

- Annual Convention: March 5-7, 2025, AT&T Hotel and Conference Center, Austin
- Summer Conference: June 11-13, 2025, Woodlands Resort
- Fall Conference: **October 22-24, 2025, Marriott RiverCenter San Antonio**
- Board Holiday Dinner and Meeting: TBD

2026

- Annual Convention: TBD
- Summer Conference: TBD
- Fall Conference: **October 6-9, 2026, Marriott RiverWalk San Antonio**
- Board Holiday Dinner and Meeting: TBD

2027

- Annual Convention: TBD
- Summer Conference: TBD
- Fall Conference: October: TBD
- Board Holiday Dinner and Meeting: TBD