



AGENDA

TWCA Board of Directors Meeting

Thursday, March 2nd, 2023, 4:15pm

Lost Pines 1-4, Hyatt Regency Lost Pines Resort and Spa

1. Call to order – President Walt Sears
2. Discussion and possible action on approval of minutes of December 2, 2022 board meeting
3. Discussion and possible action on financial reports – Mike Booth, Treasurer
4. Report on TWCA Risk Management Fund program and annual meeting and discussion and possible action on Risk Management Fund recommendations regarding board member appointments – Jace Houston, Chair, TWCA RMF
5. Discussion and possible action on 2022 Annual Report – Adeline Fox, Director of Operations & Membership
6. Report on legislative and policy activities – Sarah Kinkle, Director of Policy & Legislative Affairs
7. Panel caucus reports and ratification of election of board members
 - Drainage Districts Panel – Stan Kitzman
 - General & Environmental Panel – Carolyn Ahrens
 - Groundwater Panel – Drew Satterwhite
 - Industrial Panel – Glenn Lord
 - Irrigation Panel – Troy Allen
 - Municipal Panel – Wayne Owen
 - Navigation & Flood Control – Emily Rogers
 - River Authorities Panel – Kevin Ward
 - Utilities Districts Panel – Chris Wingert
8. Committee reports with discussion and possible action
 - Policy Committee – Dan Buhman
 - Water Laws Committee – Howard Slobodin
 - Membership & Services Committee – Connie Curtis
 - Endangered Species Committee – Glenn Clingenpeel
 - Federal Affairs Committee/Texas Water Day – Tom Ray
Federal Associations Updates: NWRA, Kevin Ward; NWC, Tom Ray; NWSA, Dan Buhman
 - Water Quality Committee – Randy Palachek
 - Surface Water Committee – Lyn Clancy and Walt Sears
 - Groundwater Committee – Brian Sledge and Hope Wells
 - Any other committee reports
9. Other business
10. Adjournment (next Board Meeting is Thursday, June 15, 2023 at The Woodlands Resort)



TWCA BOARD OF DIRECTORS MEETING
Friday, December 2, 2022, 10:00 am | Omni Austin Downtown
MINUTES

1. Call to Order – President Walt Sears

Walt called the meeting to order at 10am with the following people in attendance: Kevin Ward, Barney Austin, Karen Bondy, Lyn Clancy, Emily Rogers, Tony Smith, Dan Buhman, Hope Wells, Timm Johnson, Allen Sims, Don Carona, Chris Gallion, Phil Kelley, Ed Shackelford, Mike Reedy, Mike Turco, Mark Evans, Jenna Covington, Alia Vinson, Denis Qualls, Wayne Owen, Larry Patterson, Jace Houston, Mike Booth, Scott Hall, David Montagne, Howard Slobodin, Zach Johnson, Dawn Pilcher, Matt Phillips, Jonathan Stinson, Greg Womack, Tito Nieto, Glenn Jarvis, Chris Wingert, Bob Lux, Paulina Williams, Kathy Jones, Rick Trefzer, Glenn Clingenpeel, Craig Kalkomey, James Beach, Carolyn Ahrens, Connie Curtis, Velma Danielson, Dirk Aaron, Steve Walthour, Gary Westbrook, Ty Embrey, Shirley Ross, and John Hofmann. Amy Stelter had an excused absence.

2. Discussion and possible action on minutes from October 6, 2022

There was recommendation for an amendment to add Amy Stelter in attendance to the October minutes. Glenn Lord moved and Ed Shackelford seconded the motion to adopt the amended minutes, and the motion passed unanimously.

3. Report on TWCA Risk Management Fund – Jace Houston, Chair, TWCA RMF

Jace reported that John Grant retired, and the Fund welcomed John Womack with CRMWD to the board of trustees. The financial audit was completed and clean. The Fund also selected a firm for a performance audit. The next board meeting and annual membership meeting will take place at Lost Pines in Bastrop in coordination with the TWCA Annual Convention.

4. Discussion and possible action on 2023 TWCA-TGWA Management Agreement – Stacey Steinbach

Stacey gave an update on the TGWA-TWCA contract. Last December, the TWCA board authorized an exploratory committee to look at the contract. Due to divergent missions and potential for conflicts of interest, continuing this contract no longer make sense. TWCA staff have been working to transition management over the past few months and relationships have continued to remain positive. TGWA has hired Bobby Bazan as its first-ever Executive Director. He has worked with drillers and members of TGWA as well as TWCA. The proposed contract reduces payment over the next eight months. Staff will be supporting Bobby until September 2023.

Gary Westbrook moved, and Steve Walthour seconded the motion to approve the amended management agreement with TGWA, and the motion passed unanimously.

5. Discussion and possible action on financial matters – Mike Booth and Stacey Steinbach

- (a) Current Financials – net revenue is higher than expected in part because TWCA never hired anyone for the TGWA project manager job, so personnel expenses are significantly below budget. TWCA is expecting a surplus of \$80-90K this year, which will allow TWCA to start rebuilding reserves. TWCA has exceeded \$400K in member dues income for first time ever.
- (b) 2021 Financial Review – passed without incident.
- (c) 2023 Member Dues and Conference Fees – The EC met to discuss member dues and appointed a committee to look at both. The EC proposes a seven percent increase for member dues. Stacey also highlighted the proposed 2023 sponsorship packet and mentioned that Freese & Nichols is formalizing the Friday breakfast for all three conferences.
- (d) 2023 TWCA Annual Budget – the budget has been drafted to account for rapidly increasing hotel expenses, though actual costs are uncertain. TWCA will be moving offices in two weeks, saving the Association \$30K in 2023. Mike added that we have also increased registration fees at conferences for

2023. This hasn't been done in many years and is necessary to account for rising hotel costs. He and Stacey also noted that hotels are now requiring deposits for all events since the pandemic, sometimes years in advance, which can affect cash flow.

Stacey also highlighted that we are expecting a net loss in 2024 due to TGWA's departure. Kathy Jones moved, and Dan Buhman seconded the motion to approve the financials, 2021 review, 2023 member dues and conference fees, and 2023 budget, and the motion passed unanimously.

6. Discussion and possible action on Nomination Committee recommendations for TWCA President-Elect and Treasurer – Walt Sears

Walt named the members of the nominating committee: Allen Sims, Ed Shackelford, Mike Turco, Liz Fazio Hale, Karen Bondy, Emily Rogers, David Collinsworth, Darrell Grubs, and Tito Nieto. He reported that the committee met on Wednesday to discuss nominations. Noting that there are so many qualified and well-deserving candidates that the only real question is deciding the order in which they are nominated. Ed Shackelford reported that the nominating committee recommended Wayne Owen for president-elect to start in June 2023 based on his 20-year record of involvement and active engagement at the association and moved accordingly. Emily Rogers seconded the motion to approve Wayne Owen as President-Elect starting in June 2023 and the motion passed unanimously.

Next, Walt gave an overview of the treasurer position, explaining that the treasurer is charged with overseeing the financial reports, but does not sign checks, etc. He reminded the board that TWCA adopted new bylaws at the fall conference that call for TWCA to nominate and elect a Treasurer at the December board meeting. Mike Booth has served as the chair of our Finance Committee since 2015 and done a great job shepherding us into a new era. Walt reported that Mike has agreed to serve as our first Treasurer in a transition capacity. Emily Rogers moved, and Glenn Lord seconded the motion to elect Mike as the treasurer. The motion passed unanimously.

7. Discussion and possible action on proposals from TWCA Surface Water Committee – Lyn Clancy and Walt Sears, Co-Chairs

Lyn gave the report. The SW committee is tackling two items: one item is legislation related to WAM funding and prioritization. This initiative passed the surface water committee. The other item is direct on-site reuse TCEQ rule petition, Emily Rogers and Vanessa Puig-Williams have been coordinating through a subcommittee of the SW Committee. The full committee has approved the proposal, but it's possible that some organizations may push legislation encouraging TCEQ to act. Lyn recommended that the board approve the rulemaking effort and generally support any legislative action consistent with committee recommendations, but not initiate a bill.

John Hoffman moved and Larry Patterson seconded a motion to approve the SW committee's recommendation approving the draft WAM legislation and the Direct Onsite Reuse rulemaking petition as well as to generally support any legislation consistent with the petition, and the motion passed unanimously.

8. Discussion and possible action on proposals from TWCA Groundwater Committee – Brian Sledge and Hope Wells, Co-Chairs

Hope gave an update on the work of the GW committee. Five subcommittees met to discuss a variety of issues. Hope thanked the subcommittee chairs and mentioned some non-legislative work with Charles Porter in collaboration with the SW committee. The GW committee operated under the same procedures as it always has: 75% support required to move out of the subcommittee and 90% support to take to full board. This year, however, the GW committee developed a separate category to distinguish between legislation formally initiated by TWCA and legislation that TWCA might more passively support, should it be filed. The committee voted on eight "support only" proposals that met the 90% threshold and did not consider any "initiate" proposals. Hope and Brian then summarized each of the eight following proposals recommended for TWCA support if included in legislation this coming session:

- Requiring additional notice of DFC materials on a website for 30 days
- Allowing TCEQ or the GCD review panel to seek technical assistance from TWDB during the petition for inquiry process
- Allowing reimbursement of review panel members' reasonable expenses during the petition for inquiry process
- Requiring TCEQ's Office of Public Interest Counsel (OPIC) to provide legal counsel to the review panel during the petition for inquiry process
- Clarifying deadlines for updating a management plan and rules after DFC adoption
- Allowing a person with a real property interest in groundwater in the district to petition a GCD for rulemaking
- Clarifying which DFC should be included in a management plan if a DFC is petitioned or determined to be unreasonable
- Requiring notice of an application for a permit or increase in production to an affected landowner

Hope also identified the draft GAM funding paper and committee's recommendation to support legislative funding to update GAMs as well as conceptual support for initiatives related to funding for abandoned or deteriorated wells and regulatory jurisdiction and related funding at the Railroad Commission for P-13 wells. Mark Evans moved, and Mike Turco seconded the motion to approve the proposals from the GW committee as outlined in the board memo and the motion passed unanimously.

9. Staff reports

- (a) Policy and Legislative Affairs – Sarah Kinkle gave an update on TWCA committee work, the budget surplus in the legislature and TWCA's plan for supporting general water infrastructure funding, sunset decisions, and Texas Water Day.
- (b) Operations and Membership – Adeline Fox gave an update on work with the RMF, new members, the annual report, board questionnaire, Confluence News sponsors, and 2023 conference dates.

10. Reports of Committee Chairs, with discussion and possible action:

- Executive Committee – Walt Sears – Walt reported that the committee met and explained the decisions of dues and registration price increases.
- Policy Committee – Dan Buhman – no report
- Water Laws Committee – Howard Slobodin – no report
- Federal Affairs Committee – Tom Ray
 - Denis reported on behalf of Tom Ray that the federal issue priority list has been sent. TWD is scheduled for March 7-9, 2023.
 - Kevin reported that NWRA just hired their new executive director. He mentioned the schedule is set for upcoming meetings. The federal water seminar is set for April 18-19 at Embassy Suites in DC and the Annual Conference will be on November 8-10 in San Antonio.
 - Sarah reported on NWC. NWC is following the rulemaking for Corps.
- Water Quality Committee – Randy Palachek – no report
- Endangered Species Committee – Glenn Clingenpeel – no report
- Membership & Services Committee – Connie Curtis – the social events committee is planning a camping theme at the welcome reception for annual convention. A Woodlands volunteer event is also in the works for the summer.
- Any other committee reports

11. Reports of Panel Chairs, if necessary (with possible action):

- | | |
|-------------------------------------|---|
| • Drainage Districts – Stan Kitzman | • Irrigation – Troy Allen |
| • General & Env. – Carolyn Ahrens | • Municipal – Wayne Owen |
| • Groundwater – Drew Satterwhite | • Navigation & Flood Control – Dan Buhman |
| • Industrial – Glenn Lord | • River Authorities – Kevin Ward |

- Utility Districts – Chris Wingert

Allen Sims reported that Stan Kitzman was elected as a state representative. There were no other panel reports.

12. Discussion and possible action on lifetime memberships – Walt Sears

Walt thanked people who have contributed to TWCA over the years. The Executive Committee has considered and unanimously approved four individuals for lifetime membership: John Grant, Kent Satterwhite, Tommy Spruill, and Mike Thuss. Ed Shackelford moved, and Chris Wingert seconded the motion to approve the proposed lifetime members, and the motion passed unanimously.

13. Other Business Ed moved, and Steve Walthour seconded the motion to approve staff being off the week after Christmas, and the motion passed unanimously.

14. Adjournment (Next Board Meeting is scheduled for Thursday, March 3, 2023, at the Hyatt Lost Pines) Dirk Aaron moved, and Kevin Ward seconded the motion to adjourn, and the motion passed unanimously. The meeting adjourned at 11:18am.

Texas Water Conservation Association

Balance Sheet As of February 27, 2023

	TOTAL	
	AS OF FEB 27, 2023	AS OF FEB 27, 2022 (PY)
ASSETS		
Current Assets		
Bank Accounts		
1025 TWCA - Checking 6129	486,134.97	309,450.05
AffiniPay Clearing	1.00	
PayPal Bank	0.00	0.00
TWCA - Savings 9926	21,569.39	31,567.04
Total Bank Accounts	\$507,705.36	\$341,017.09
Accounts Receivable		
1200 Accounts Receivable	26,279.00	0.00
Total Accounts Receivable	\$26,279.00	\$0.00
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	300.00	300.00
Stripe Clearing Refunds - Acodei	-350.66	
Uncategorized Asset	0.00	0.00
Undeposited Funds	5,589.56	6,332.73
Total Other Current Assets	\$21,286.48	\$22,380.31
Total Current Assets	\$555,270.84	\$363,397.40
Fixed Assets		
Other Assets		
1301 Lease and Other Deposits	24,619.78	6,725.28
Total Other Assets	\$24,619.78	\$6,725.28
TOTAL ASSETS	\$582,697.62	\$372,929.68
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	31,556.00
Payroll Liabilities	-1,888.95	-25,956.93
Total Other Current Liabilities	\$19,667.05	\$5,599.07
Total Current Liabilities	\$19,667.05	\$5,599.07
Total Liabilities	\$19,667.05	\$5,599.07
Equity		
3010 Fund Balance	5,569.03	5,569.03
3015 Fund Balance - Equipment Replace Fund	7,898.00	7,898.00

	TOTAL	
	AS OF FEB 27, 2023	AS OF FEB 27, 2022 (PY)
Retained Earnings	275,571.04	153,289.57
Net Income	273,992.50	200,574.01
Total Equity	\$563,030.57	\$367,330.61
TOTAL LIABILITIES AND EQUITY	\$582,697.62	\$372,929.68

Texas Water Conservation Association

Profit and Loss

January - December 2022

	TOTAL	
	JAN - DEC 2022	JAN - DEC 2021 (PY)
Income		
4000 Membership Dues Income	428,467.00	370,328.00
4110 Legislative News Subscriptions	29,362.50	9,975.00
4200 Annual Convention Income	222,751.00	99,510.00
4220 Summer Conference Income	181,147.71	164,780.00
4240 Other Meeting Income	14,326.00	23,968.00
4250 Fall Conference Income	219,245.00	179,775.00
4300 TGWA Management Fee	186,000.00	186,000.00
4500 Risk Management Fund Income	154,530.00	151,500.00
4600 Reimbursable Expense Income	10,844.53	10,836.91
Confluence Income	12,999.00	14,500.00
Income	0.00	
Total Income	\$1,459,672.74	\$1,211,172.91
GROSS PROFIT	\$1,459,672.74	\$1,211,172.91
Expenses		
5100 Administrative Expenses	13,775.92	17,407.75
5500 Annual Convention	127,468.26	948.91
5530 Summer Conference	69,093.01	82,235.70
5550 Fall Conference	91,631.37	80,942.60
5570 Other Meetings Expense	7,967.14	15,276.85
5590 Board Expenses	24,483.37	21,076.46
5650 Travel, Education, and Outreach	24,904.60	21,267.86
5710 NWRRA Dues	34,093.00	25,569.75
5800 Office Expenses and Supplies	24,779.08	37,768.91
5820 Office Lease	115,939.21	94,540.91
6000 IT and Website	38,675.78	31,390.85
Contract Labor	6,000.00	75,000.00
Personnel	757,829.44	710,327.01
Total Expenses	\$1,336,640.18	\$1,213,753.56
NET OPERATING INCOME	\$123,032.56	\$ -2,580.65
Other Income		
4100 Interest Earned	688.50	483.18
Total Other Income	\$688.50	\$483.18
Other Expenses		
NON DEDUCTIBLE PENALTIES	2.09	
Total Other Expenses	\$2.09	\$0.00
NET OTHER INCOME	\$686.41	\$483.18
NET INCOME	\$123,718.97	\$ -2,097.47

Texas Water Conservation Association

Budget vs. Actuals: 2022 TWCA Budget - FY22 P&L

January - December 2022

	TOTAL	
	ACTUAL	BUDGET
Income		
4000 Membership Dues Income	428,467.00	407,500.00
4110 Legislative News Subscriptions	29,362.50	34,000.00
4200 Annual Convention Income	222,751.00	225,000.00
4220 Summer Conference Income	181,147.71	165,000.00
4240 Other Meeting Income	14,326.00	32,000.00
4250 Fall Conference Income	219,245.00	180,000.00
4300 TGWA Management Fee	186,000.00	186,000.00
4500 Risk Management Fund Income	154,530.00	154,500.00
4600 Reimbursable Expense Income	10,844.53	10,000.00
Confluence Income	12,999.00	12,000.00
Income	0.00	
Total Income	\$1,459,672.74	\$1,406,000.00
GROSS PROFIT	\$1,459,672.74	\$1,406,000.00
Expenses		
5100 Administrative Expenses	13,775.92	15,000.00
5500 Annual Convention	127,468.26	125,000.00
5530 Summer Conference	69,093.01	82,000.00
5550 Fall Conference	91,631.37	80,000.00
5570 Other Meetings Expense	7,967.14	26,000.00
5590 Board Expenses	24,483.37	19,000.00
5650 Travel, Education, and Outreach	24,904.60	25,000.00
5710 NWRA Dues	34,093.00	35,000.00
5800 Office Expenses and Supplies	24,779.08	35,000.00
5820 Office Lease	115,939.21	99,000.00
6000 IT and Website	38,675.78	35,000.00
Contract Labor	6,000.00	
Personnel	757,829.44	830,000.00
Total Expenses	\$1,336,640.18	\$1,406,000.00
NET OPERATING INCOME	\$123,032.56	\$0.00
Other Income		
4100 Interest Earned	688.50	
Total Other Income	\$688.50	\$0.00
Other Expenses		
NON DEDUCTIBLE PENALTIES	2.09	
Total Other Expenses	\$2.09	\$0.00
NET OTHER INCOME	\$686.41	\$0.00
NET INCOME	\$123,718.97	\$0.00

Texas Water Conservation Association

Profit and Loss

January 1 - February 27, 2023

	TOTAL	
	JAN 1 - FEB 27, 2023	JAN 1 - FEB 27, 2022 (PY)
Income		
4000 Membership Dues Income	93,221.00	120,867.00
4110 Legislative News Subscriptions	36,487.50	
4200 Annual Convention Income	221,830.00	160,651.00
4220 Summer Conference Income	6,000.00	
4240 Other Meeting Income	13,330.00	2,815.00
4250 Fall Conference Income		395.00
4300 TGWA Management Fee	31,000.00	31,000.00
4500 Risk Management Fund Income	26,010.00	25,500.00
4600 Reimbursable Expense Income	54.12	70.57
Confluence Income		2,999.00
Uncategorized Income	2.00	
Total Income	\$427,934.62	\$344,297.57
GROSS PROFIT	\$427,934.62	\$344,297.57
Expenses		
5100 Administrative Expenses	2,840.73	3,371.00
5500 Annual Convention	27,460.95	3,009.58
5530 Summer Conference		300.00
5550 Fall Conference		300.00
5590 Board Expenses	1,000.00	
5650 Travel, Education, and Outreach	3,177.92	1,358.30
5710 NWRA Dues	8,779.00	8,523.25
5800 Office Expenses and Supplies	2,664.27	6,351.04
5820 Office Lease	5,700.00	22,824.80
6000 IT and Website	8,875.38	6,399.80
Personnel	93,615.58	91,457.57
Total Expenses	\$154,113.83	\$143,895.34
NET OPERATING INCOME	\$273,820.79	\$200,402.23
Other Income		
4100 Interest Earned	171.71	171.78
Total Other Income	\$171.71	\$171.78
NET OTHER INCOME	\$171.71	\$171.78
NET INCOME	\$273,992.50	\$200,574.01

Texas Water Conservation Association

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

January - December 2023

	TOTAL	
	ACTUAL	BUDGET
Income		
4000 Membership Dues Income	93,221.00	444,050.00
4110 Legislative News Subscriptions	36,487.50	34,000.00
4200 Annual Convention Income	221,830.00	250,000.00
4220 Summer Conference Income	6,000.00	210,000.00
4240 Other Meeting Income	13,330.00	32,000.00
4250 Fall Conference Income		220,000.00
4300 TGWA Management Fee	31,000.00	76,000.00
4500 Risk Management Fund Income	26,010.00	156,075.00
4600 Reimbursable Expense Income	54.12	5,000.00
Confluence Income		12,000.00
Uncategorized Income	2.00	
Total Income	\$427,934.62	\$1,439,125.00
GROSS PROFIT	\$427,934.62	\$1,439,125.00
Expenses		
5100 Administrative Expenses	2,840.73	15,000.00
5500 Annual Convention	27,460.95	150,000.00
5530 Summer Conference		90,000.00
5540 Texas Water Day		20,000.00
5550 Fall Conference		100,000.00
5570 Other Meetings Expense		34,000.00
5590 Board Expenses	1,000.00	
5650 Travel, Education, and Outreach	3,177.92	33,000.00
5710 NWRA Dues	8,779.00	35,116.00
5800 Office Expenses and Supplies	2,664.27	30,000.00
5820 Office Lease	5,700.00	75,000.00
6000 IT and Website	8,875.38	40,000.00
Personnel	93,615.58	800,000.00
Total Expenses	\$154,113.83	\$1,422,116.00
NET OPERATING INCOME	\$273,820.79	\$17,009.00
Other Income		
4100 Interest Earned	171.71	500.00
Total Other Income	\$171.71	\$500.00
NET OTHER INCOME	\$171.71	\$500.00
NET INCOME	\$273,992.50	\$17,509.00