



**AGENDA**  
**TWCA BOARD OF DIRECTORS MEETING**  
**Thursday, June 15, 2023, 4:30pm**  
**The Woodlands Resort**

1. Call to Order – President Lyn Clancy
  2. Discussion and possible action on approval of minutes of March 2023 Board Meeting
  3. Discussion and possible action on financial reports – Mike Booth and Stacey Steinbach
  4. Report on TWCA Risk Management Fund – Jace Houston, President, TWCA RMF
  5. Membership and Operations Update – Adeline Fox
  6. Policy and Legislative Update – Sarah Kinkle
  7. Discussion and possible action on reports of Panel Chairpersons:
    - a. Drainage Districts Panel – Allen Sims
    - b. General & Environmental Panel – Carolyn Ahrens
    - c. Groundwater Panel – Drew Satterwhite
    - d. Industrial Panel – Ty Embrey
    - e. Irrigation Panel – Troy Allen
    - f. Municipal Panel – Denis Qualls
    - g. River Authorities Panel – Kevin Ward
    - h. Utilities Districts Panel – Darrell Grubbs
    - i. Navigation & Flood Control – Emily Rogers
  8. Discussion and possible action on reports of Committee Chairs:
    - a. Executive Committee – Lyn Clancy
    - b. Membership & Services Committee – Connie Curtis
    - c. Policy Committee – Dan Buhman
    - d. Water Laws Committee – Howard Slobodin
    - e. Endangered Species Committee – Glenn Clingenpeel
    - f. Water Quality Committee – Randy Palachek
    - g. Federal Affairs Committee – Tom Ray
      - NWRA – Kevin Ward, President
      - NWC – Tom Ray, President
      - NWSA – Dan Buhman, President
    - h. Any other committee reports
  9. Other Business
  10. Adjournment
- (Next Board Meeting is scheduled for Thursday, **November 2, 2023** at the San Antonio Marriott RiverCenter)



## MINUTES

### TWCA Board of Directors Meeting

Thursday, March 2nd, 2023, 4:15pm | Hyatt Regency Lost Pines Resort and Spa

**1. Call to order – President Walt Sears**

President Walt Sears called the meeting to order at 4:19pm with a quorum present.

**2. Discussion and possible action on approval of minutes of December 2, 2022 board meeting**

There were no amendments to the minutes. Wayne Owen moved and Emily Rogers seconded the motion to approve the minutes of the past meeting, and the motion passed unanimously.

**3. Discussion and possible action on financial reports – Mike Booth, Treasurer**

Mike reported that everything is very good. TWCA is winding down its TGWA contract. Stacey provided a report on the overview of the financials. The balance sheet is up significantly. The budget surplus in 2022 was due to not hiring a sixth employee. This convention has met the budget income goal. There are more than 400 attendees at the convention. Gary Westbrook moved and Troy Allen seconded the motion to approve the financials, and the motion passed unanimously.

**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**

Jace reported that the board met yesterday. The board finalized the election of RMF board members – Jeff Mayfield, Liz Fazio Hale, Jonathan Stinson, and Sonia Lambert were re-elected. Results of a performance audit were reviewed during the board meeting. In summary, the board is receiving the best-in-class service at a good price. One finding was that services provided are being underutilized by members. Finally, Jace reported that the RMF board has nominated Jonathan Stinson and Jace Houston to serve in the new TWCA board seats representing RMF, as added by the new bylaws. Jace moved and Kathy Turner Jones seconded the motion to approve the nominations of the TWCA RMF representatives to the TWCA board, and the motion passed unanimously.

**5. Discussion and possible action on 2022 Annual Report – Adeline Fox, Director of Operations & Membership**

Adeline highlighted the annual report and encouraged board members to look at it. She also mentioned hosting a new board member orientation in advance of or during the summer conference. Chris Wingert moved and Kelley Holcomb seconded the motion to approve the annual report, and the motion passed unanimously.

**6. Report on legislative and policy activities – Sarah Kirkle, Director of Policy & Legislative Affairs**

Sarah reported that we expect future committee hearings to be 8am on Mondays for the SWARAC and Tuesdays 8am for House Natural. The WAM bill has been filed by Chairmen Perry and King. The groundwater committee voted to support eight legislative issues if bills were filed (as opposed to formally initiating a bill). In addition to the WAM bill, the surface water committee opted to support a bill on direct onsite reuse if filed. Other bills supported by TWCA include a petition for rulemaking at TCEQ that would be specific to direct onsite reuse. The main bill this session so far is Perry's SB 837, which includes possible infrastructure funding with a portion going to "new water" sources. TWCA is going to push for broader water and wastewater infrastructure funding beyond the new water initiatives. The sunset bills for TCEQ, PUC, and TWDB were also filed yesterday.

**7. Panel caucus reports and ratification of election of board members**

- Drainage Districts Panel – Stan Kitzman
  - Allen reported for Stan. There were 20 people in attendance and the panel heard an update on the FEMA Risk 2.0 program.

Board Seats: Chris Gallion and Alan Moore

Panel Chair: Allen Sims and Panel Vice-Chair: Craig Kalkomey

Policy Committee: Doug Manning and Kim Carroll

- General & Environmental Panel – Carolyn Ahrens
  - Carolyn reported 30 people were in attendance. There was discussion about the intersection of EDSA with state primacy of water rights laws and the review of TCEQ by EPA.  
Board Seats: Tony Smith and Howard Slobodin  
Panel Chair: Carolyn Ahrens and Panel Vice-Chair: Ed Shackelford  
Policy Committee: Carolyn Ahrens and Howard Slobodin
- Groundwater Panel – Drew Satterwhite
  - Drew reported 40 people were in attendance. Brian Sledge spoke about the legislative session and Dirk Aaron provided an update on the annexation in Williamson County.  
Board Seats: Dirk Aaron and James Beach  
Panel Chair: Drew Satterwhite and Panel Vice-Chair: Mike Turco  
Policy Committee: Dirk Aaron and Bill Dugat
- Industrial Panel – Glenn Lord
  - Ty reported 12 people were in attendance. The panel discussed legislative issues and Liz gave an update on PFAS.  
Board Seats: Mark Evans, Paulina Williams, and Scott Harris  
Panel Chair: Ty Embrey and Panel Vice-Chair: Liz Fazio Hale  
Policy Committee: Paulina Williams and Mark Evans
- Irrigation Panel – Troy Allen
  - Troy reported they had 30 people in attendance. Billy Howe gave an update on bills that may affect irrigation districts.  
Board Seats: Sonny Hinojosa and Tom McLemore  
Panel Chair: Troy Allen and Panel Vice-Chair: Glenn Jarvis  
Policy Committee: Troy Allen and Glenn Jarvis
- Municipal Panel – Wayne Owen
  - Denis reported for Wayne. There were 45 people in attendance including the City of Denton and Midland. The panel discussed bills.  
Board Seats: Karen Bondy, Larry Patterson, and Ekaterina Fitos  
Panel Chair: Denis Qualls and Panel Vice-Chair: Heather Cooke  
Policy Committee: Karen Bondy and Fred Arce
- Navigation & Flood Control – Emily Rogers
  - Emily reported that 20 people attended. The panel heard from Reem Zoun with TWDB.  
Board Seats: Dan Buhman and Derek Boese  
Panel Chair: Emily Rogers and Panel Vice-Chair: Dan Buhman  
Policy Committee: Emily Rogers and Derek Boese
- River Authorities Panel – Kevin Ward
  - Kevin reported they had 60-70 people. They discussed bills, and Howard provided an update on the sunset proposal to make river authority board member appointees uniformly serve four year terms.  
Board Seats: David Collinsworth and John Hofmann  
Panel Chair: Kevin Ward and Panel Vice-Chair: Scott Hall  
Policy Committee: David Collinsworth and John Hoffman

- Utilities Districts Panel – Chris Wingert
  - Chris reported they had 25 people in attendance. The panel talked about the Hidalgo Co. #1 lawsuit, supply chain issues, and challenges to get contractors. Chris is stepping down off the board. Alia will be replacing Chris.  
Board Seats: Alia Vinson and David Weidman  
Panel Chair: Darrell Grubbs and Panel Vice-Chair: Alia Vinson  
Policy Committee: Darrell Grubbs and Bob Lux

Steve Walthour moved and Mike Turco seconded the motion to approve the panel elections, and the motion passed unanimously.

8. Committee reports with discussion and possible action

- Policy Committee – Dan Buhman: No report
- Water Laws Committee – Howard Slobodin: Howard reported there will be 4.5 CLE credit hours for this conference.
- Membership & Services Committee – Connie Curtis: Connie reported that the meeting had about 50 people. The speed networking event was well received with 40 people attending. She thanked the board members who participated.
- Endangered Species Committee – Glenn Clingenpeel: Glenn reported that the meeting would take place tomorrow at 8:30am.
- Federal Affairs Committee/Texas Water Day – Tom Ray: Tom reported that the group heard updates on the office of state and federal relations, flood insurance, Texas water day, and national water associations – Julie, Dave, and Dale. Federal Associations Updates: NWRA, Kevin Ward; NWC, Tom Ray; NWSA, Dan Buhman: Kevin reported that NWRA will host its federal fly-in in the third week of April. They are enjoying the new ED. Kevin encouraged people to attend the conference in D.C. which will include office visits. NWRA is also considering reviving its caucus for consultants.
- Water Quality Committee – Randy Palachek: Randy reported that the committee discussed the Texas legislative session and TRWD provided an update on work on the Trinity River NDPS delegation petition.
- Surface Water Committee – Lyn Clancy and Walt Sears: Lyn reported that the committee concluded its business prior to the session. The direct onsite reuse bill that was recently filed aligns with the board’s approved issues to support.
- Groundwater Committee – Brian Sledge and Hope Wells: Brian reported that the committee has not met since December board meeting. Most initiatives are finding happy homes.
- Any other committee reports: none

9. **Other business**

Stacey mentioned TWD in DC and plugged that the final executive summary for federal priorities will be online. She also mentioned the reception will be where we had the awards luncheon. After the reception we will have s’mores outside.

10. **Adjournment (next Board Meeting is Thursday, June 15, 2023 at The Woodlands Resort)**

Walt adjourned the meeting at 4:55pm.

# Texas Water Conservation Association

## Balance Sheet

As of June 11, 2023

	TOTAL	
	AS OF JUN 11, 2023	AS OF JUN 11, 2022 (PY)
<b>ASSETS</b>		
Current Assets		
Bank Accounts		
1025 TWCA - Checking 6129	547,755.80	327,036.05
TWCA - Savings 9926	21,570.08	21,567.98
<b>Total Bank Accounts</b>	<b>\$569,325.88</b>	<b>\$348,604.03</b>
Accounts Receivable	<b>\$0.00</b>	<b>\$0.00</b>
Other Current Assets		
1300 Principal Financial Stock	15,225.08	15,225.08
1810 Austin Club Membership	0.00	500.00
Payroll Refunds	0.00	22.50
Prepaid Expenses	1,300.00	300.00
Stripe Clearing Refunds - Acodei	0.00	
Uncategorized Asset	0.00	0.00
Undeposited Funds	5,400.00	5,949.12
<b>Total Other Current Assets</b>	<b>\$21,925.08</b>	<b>\$21,996.70</b>
<b>Total Current Assets</b>	<b>\$591,250.96</b>	<b>\$370,600.73</b>
Fixed Assets	<b>\$2,807.00</b>	<b>\$2,807.00</b>
Other Assets	<b>\$12,894.50</b>	<b>\$6,725.28</b>
<b>TOTAL ASSETS</b>	<b>\$606,952.46</b>	<b>\$380,133.01</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities		
Current Liabilities		
Accounts Payable	<b>\$0.00</b>	<b>\$0.00</b>
Other Current Liabilities		
Direct Deposit Payable	0.00	0.00
EARMARKED FUNDS	0.00	
Legal Advocacy Fund Deposits	21,556.00	21,556.00
Payroll Liabilities	<b>-1,985.12</b>	<b>0.00</b>
<b>Total Other Current Liabilities</b>	<b>\$19,570.88</b>	<b>\$21,556.00</b>
<b>Total Current Liabilities</b>	<b>\$19,570.88</b>	<b>\$21,556.00</b>
<b>Total Liabilities</b>	<b>\$19,570.88</b>	<b>\$21,556.00</b>
Equity		
3010 Fund Balances	13,467.03	5,569.03
3015 Fund Balance - Equipment Replace Fund	0.00	7,898.00
Retained Earnings	271,764.27	153,289.57
Net Income	302,150.28	191,820.41
<b>Total Equity</b>	<b>\$587,381.58</b>	<b>\$358,577.01</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$606,952.46</b>	<b>\$380,133.01</b>

# Texas Water Conservation Association

## Profit and Loss

January 1 - June 11, 2023

	TOTAL	
	JAN 1 - JUN 11, 2023	JAN 1 - JUN 11, 2022 (PY)
<b>Income</b>		
4000 Membership Dues Income	227,978.00	192,502.00
4110 Legislative News Subscriptions	40,762.50	
4200 Annual Convention Income	264,290.00	217,376.00
4220 Summer Conference Income	201,120.00	164,890.00
4240 Other Meeting Income	18,375.00	4,601.00
4250 Fall Conference Income	14,595.00	395.00
4300 TGWA Management Fee	61,000.00	93,000.00
4500 Risk Management Fund Income	78,030.00	76,500.00
4600 Reimbursable Expense Income	163.56	150.24
Confluence Income		3,999.00
Uncategorized Income	0.00	
<b>Total Income</b>	<b>\$906,314.06</b>	<b>\$753,413.24</b>
<b>GROSS PROFIT</b>	<b>\$906,314.06</b>	<b>\$753,413.24</b>
<b>Expenses</b>		
5100 Administrative Expenses	8,616.73	5,977.92
5500 Annual Convention	135,292.60	127,468.26
5530 Summer Conference	15,677.36	2,333.16
5540 Texas Water Day	9,507.03	
5550 Fall Conference	80.11	1,469.64
5570 Other Meetings Expense	427.21	3,090.63
5590 Board Expenses	1,000.00	1,000.00
5650 Travel, Education, and Outreach	17,889.51	5,640.59
5710 NWRA Dues	17,558.00	17,046.50
5800 Office Expenses and Supplies	7,231.98	11,809.29
5820 Office Lease	31,750.78	49,701.80
6000 IT and Website	27,282.94	20,053.68
Personnel	332,193.45	316,343.51
Uncategorized Expense	0.00	
<b>Total Expenses</b>	<b>\$604,507.70</b>	<b>\$561,934.98</b>
<b>NET OPERATING INCOME</b>	<b>\$301,806.36</b>	<b>\$191,478.26</b>
<b>Other Income</b>		
4100 Interest Earned	343.92	344.24
<b>Total Other Income</b>	<b>\$343.92</b>	<b>\$344.24</b>
<b>Other Expenses</b>		
NON DEDUCTIBLE PENALTIES		2.09
<b>Total Other Expenses</b>	<b>\$0.00</b>	<b>\$2.09</b>
<b>NET OTHER INCOME</b>	<b>\$343.92</b>	<b>\$342.15</b>
<b>NET INCOME</b>	<b>\$302,150.28</b>	<b>\$191,820.41</b>

# Texas Water Conservation Association

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

January - December 2023

	TOTAL	
	ACTUAL	BUDGET
<b>Income</b>		
4000 Membership Dues Income	227,978.00	444,050.00
4110 Legislative News Subscriptions	40,762.50	34,000.00
4200 Annual Convention Income	264,290.00	250,000.00
4220 Summer Conference Income	201,120.00	210,000.00
4240 Other Meeting Income	18,375.00	32,000.00
4250 Fall Conference Income	14,595.00	220,000.00
4300 TGWA Management Fee	61,000.00	76,000.00
4500 Risk Management Fund Income	78,030.00	156,075.00
4600 Reimbursable Expense Income	163.56	5,000.00
Confluence Income		12,000.00
Uncategorized Income	0.00	
<b>Total Income</b>	<b>\$906,314.06</b>	<b>\$1,439,125.00</b>
<b>GROSS PROFIT</b>	<b>\$906,314.06</b>	<b>\$1,439,125.00</b>
<b>Expenses</b>		
5100 Administrative Expenses	8,616.73	15,000.00
5500 Annual Convention	135,292.60	150,000.00
5530 Summer Conference	15,677.36	90,000.00
5540 Texas Water Day	9,507.03	20,000.00
5550 Fall Conference	80.11	100,000.00
5570 Other Meetings Expense	427.21	34,000.00
5590 Board Expenses	1,000.00	
5650 Travel, Education, and Outreach	17,889.51	33,000.00
5710 NWRA Dues	17,558.00	35,116.00
5800 Office Expenses and Supplies	7,231.98	30,000.00
5820 Office Lease	31,750.78	75,000.00
6000 IT and Website	27,282.94	40,000.00
Personnel	332,193.45	800,000.00
Uncategorized Expense	0.00	
<b>Total Expenses</b>	<b>\$604,507.70</b>	<b>\$1,422,116.00</b>
<b>NET OPERATING INCOME</b>	<b>\$301,806.36</b>	<b>\$17,009.00</b>
<b>Other Income</b>		
4100 Interest Earned	343.92	500.00
<b>Total Other Income</b>	<b>\$343.92</b>	<b>\$500.00</b>
<b>NET OTHER INCOME</b>	<b>\$343.92</b>	<b>\$500.00</b>
<b>NET INCOME</b>	<b>\$302,150.28</b>	<b>\$17,509.00</b>



ITEM: Executive Committee Report  
DATE: June 14, 2023  
BOARD CONTACT: Lyn Clancy  
STAFF CONTACT: Stacey Steinbach

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The TWCA Executive Committee met via Zoom on May 10, 2023. Topics discussed and committee action were as follows:

1. **Committee Membership:** Stacey referred to and reviewed the Executive Committee roster, available on the [www.twca.org/boardinfo](http://www.twca.org/boardinfo) page.
2. **Financial Matters:** Stacey provided an overview of the financials and highlighted the current balance sheet, P&L, and budget versus actuals. Emily Rogers moved, and Troy Allen seconded the motion to approve the financial reports, and the motion passed unanimously.
3. **Discussion/possible action on draft Financial Policies and Procedures Manual:** Stacey provided an overview of the draft financial policies and procedure manual. TWCA is in a position to invest some of its reserves and could be making up to five figures a year in low-risk investments. The first step in investing TWCA dollars is to adopt an investment policy, and staff decided to propose a comprehensive financial policy that reflects current procedures that are shared with the auditor each year. The committee discussed the draft and agreed that preservation of capital should always be the highest priority. After reaching consensus on an edit to incorporate PFI guidelines, Alia Vinson moved and Dan Buhman seconded a motion to recommend the draft as amended for approval by the board at the summer conference. The motion passed unanimously.
4. **Conferences:** Stacey reviewed current contracted dates and outlined two new proposals being considered by staff:
  - 2025: San Antonio RiverCenter, October 22-24, 2025
  - 2026: San Antonio RiverWalk, October 7-9, 2026Lyn Clancy moved and Emily Rogers seconded the motion to approve signing the contract for 2025 and signing 2026 unless a better proposal comes along, and the motion passed unanimously.
5. **Membership Update – Adeline Fox:** Adeline gave an update on the summer conference, membership, and the new board member orientation.
6. **Legislative Update – Sarah Kinkle:** Sarah gave an update on SB 28 and next steps regarding the discrepancies in the House and Senate versions of the bills and funding. The TWCA-initiated WAM bill passed while we were on the Zoom. Sarah also gave an overview of the status of the pending sunset bills.
7. **TGWA Transition Update:** Stacey provided an update on the TGWA transition.
8. **Any other business/updates:** None; adjourned at 3:50pm.

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**Recommended Action:** Approve the Executive Committee summary and Financial Policies and Procedures Manual as presented.





## 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 may be sought to manage investment of the Reserve Fund once it exceeds \$250,000. TWCA should look to the Public Funds Investment Act for guidance with investing these funds and any investments beyond the options listed above must be based on the recommendation of an investment advisor and approved by the TWCA Executive Committee.

### **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 June 6, 2023**

**2023**

- Annual Convention: March 1-3, 2023: Hyatt Lost Pines, Bastrop
- Texas Water Day: March 6-8, 2023: Hotel Washington, Washington, D.C.
- 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, 2023: Omni Downtown Austin

**2024**

- Annual Convention: March 6-8, 2024: Hyatt Lost Pines, Bastrop
- Summer Conference: 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: The Woodlands Resort
- Fall Conference: October 22-24, 2025 (tentative): Marriott RiverWalk San Antonio
- Board Holiday Dinner and Meeting: TBD

**2026**

- Annual Convention: TBD
- Summer Conference: TBD
- Fall Conference: October 7-9, 2026, 2025 (tentative): Marriott RiverCenter San Antonio
- Board Holiday Dinner and Meeting: TBD