

Board of Directors Quarterly Call (Q2 2021)
July 28, 2021, 1 p.m. ET
Virtual Call

REVISED MINUTES- APPROVED BY DOUG ROBBINS AND BOB ARCHAMBEAU ON AUG. 5, 2021.

The original minutes were sent in error prior to the COB and President review. Please reference this version of the minutes and HQ report.

BOD In attendance:

Voting

Bob Archambeau, President
Jerry Bautsch, AWSA
Don Bucher, AWSA
Sam Dubbs, ABC (for Tina McCauley)
Michael Flynn, Independent Director
Joel Johanningmeier, NSSA, Secretary/Treasurer
Christy Kingsmill, NCWSA
Jason Lee, AAC
Gerry Luiting, NSSA
Doug Ribley, NSSA
Cheryl Ruston, NWSRA

Non-Voting

Nate Boudreaux, Executive Director (non-voting)
Jim Grew, Past President/Honorary National Director (non-voting)
Ed Hickey, USA-WSF (non-voting)
Kevin Michael, WSIA (non-voting)
Doug Robbins, Board Chairman (non-voting)

Guest

Scott Atkinson, USA-WSWS

BOD not in attendance:

Andrew Adkison, USOPC/AAC
Connie Bergmark, AWSA
Charlie Buckley, USHA
Tim Cullen, Immediate Past President (non-voting)
Alex Lauretano, AAC
Tina McCauley, ABC
Matt Oberholtz, USA-AWSWS
Connor Poggetto, AAC
Dave Rezin, AAC
Dale Stevens, VP
Kenny Stuart, AKA

Cathy Williams, USA-WB

BOD Call Minutes

Boudreaux took roll, called the meeting to order at 1 p.m. ET and turned the floor over to Archambeau as Robbins was running late. Archambeau thanked the board for attending.

Boudreaux gave a headquarters update via PowerPoint referencing the written update below.

Ruston asked about Safe Sport training and if members would be receiving email notifications when training is due. Boudreaux answered that the new membership system will send cadenced reminders about Safe Sport training similar to that for membership renewals (30 days, 14 days, 7 days, 3 days and 1 day from expiration).

Boudreaux asked the board if anyone had questions regarding the 2Q financials which were shared prior to the call. No specific questions were asked.

Johaningmeier gave a brief treasurer's report echoing Boudreaux's comments about the organization's solid financial status and encouraged board members to read the budget/finance notes that accompanied the financials.

Hickey gave an update on the USA Water Ski & Wake Sports Foundation (USA-WSF). He praised Polk County Sports Marketing (PCSM) for hosting (and live streaming) the very successful April 24 Hall of Fame ceremony and the opening of the water ski museum display at the Polk County Visitors Center. Hickey added that USA-WSF's treasurer Dennis Longo has made tremendous progress with the finances by straightening out insurance, banking and accounting issues which has saved the organization thousands of dollars. USA-WSF is now well-positioned to pursue its mission. USA-WSF and PCSM are now planning a Hall of Fame Induction and banquet to be held March 5, 2022 at the RP Funding Center in Lakeland, Fla. Since the first-time virtual offering was such a success, USA-WSF will continue this practice. USA-WSF's scholarship program, another key part of its mission, has expanded considerably this past year thanks to the efforts of our dedicated volunteers. USA-WSF is defending itself in a lawsuit filed by David L. Hunter regarding charitable naming rights to the uncompleted Lake Myrtle Sports Complex in Auburndale, Fla. USA-WSF now has legal counsel from Kyle Tate who has agreed to represent USA-WSF without an up-front cost. USA-WSF is also dealing with challenges in its lease agreement with Correct Craft for the cable park, restaurant and pro shop constructed by USA-WSF at Lake Myrtle. USA-WSF borrowed from a bank to complete all of its obligations under the lease agreement after David L. Hunter failed to make donations in accordance with his Charitable Gift Agreement. Correct Craft voiced its desire to terminate the 20-year lease in late 2019, less than a year into the agreement but then reversed direction and decided to stay. The lessor/lessee relationship continues to be contentious. The income from the current lease does not cover the monthly loan payments. Correct Craft currently uses USA-WSF's property and parking that are not included in the lease agreement and refuses to enter into an agreement to lease this additional property. USA-WSF has listed all of its Lake Myrtle property for sale. Correct Craft showed interest in purchasing it and made an offer. The company

subsequently reversed direction and withdrew the offer after obtaining an "appraisal" that showed a 35% decline in the property value from 2018 to 2021.

Archambeau encouraged Sports Disciplines to alert headquarters of any leadership changes that may be taking place at regional or national meetings (e.g., new directors, EVPs, etc.)

Robbins asked if any Sports Disciplines had specific updates and/or info on how summer events were going. Kingsmill said that collegiate membership should begin to tick up with the upcoming fall collegiate events. Johanningmeier was pleased at the turnout of show ski teams at the Wisconsin State Show Ski tournament. Ribley said the entries for the upcoming D1 and D2 Show Ski Nationals are trending well and both events will include several individuals acts in addition to team competition.

Boudreaux reminded the board that both the D1 and D2 Show Ski Nationals and the AWSA Nationals will be live streamed on www.usawaterski.org.

Boudreaux concluded the meeting at 2:10 p.m. ET.

(See written HQ update and financials below)

USA-WSWS BOD Quarterly Call Update – July 2021

Administration

- **Membership System** - New Integress membership and learning management system (LMS) testing still ongoing. We are likely looking at a September launch (after the busy Nationals month in August). You can review the membership registration staging area, MembersOnly dashboard and LSM staging area below.
 - Membership: <https://staging-portal.integrasssports.com/memberregistration>
 - Membership Dashboard:
 - ID: 800182227
 - Password: Member2@2!
 - LMS: <https://staging-lms.integrasssports.com/>
 - ID: nboudreaux@usawaterski.org
 - Password: Watersk!21
- **Kyle Tate/Brenda Nichols lawsuit and grievance vs. USA-WSWS** - A grievance and lawsuit were filed in early June by Tate and Nichols alleging several claims against members of the Judicial Committee from incidents that happened in 2018. The grievance is unique in that it names the chair as well as members of the Judicial Committee, an AWSA director and the USA-WSWS Executive Director. Since the parties who normally handle grievances are being grieved against (Judicial Chair and Executive Director), Bob Archambeau is naming an interim judicial committee chair to move the internal grievance complaint forward. The interim chair will work with an independent legal firm to appoint a disinterested hearing panel. Steve Smith, a Colorado Springs based attorney who specializes in NGB litigation, has been retained by USA-WSWS to assist with the internal complaint. Steve Smith has responded on behalf of USA-WSWS to Tate's initial grievance. Currently our D&O policy has indicated it will defend the organization if there is eventual litigation; however, it does not apply to defending an internal grievance. Still waiting on the GL policy to make a determination. We would prefer the GL policy take the lead if there is eventual litigation as there is no deductible on that policy while the D&O policy carries a \$25,000 deductible.
- **Leopoldus Law Firm** - Contracted with a law firm (Leopoldus Law based in California) to assist Jeff Smith/Jeff Clark and bylaws committee with USOPC and Safe Sport audit revisions in addition to developing a checklist document for internal grievance claims and/or other internal investigations. The cost is minimal - \$3,000 in 2020 and \$2,000 in 2021. The attorney at Leopoldus who is assisting is a former USOPC auditor and will greatly assist our volunteers in making needed revisions to various USA-WSWS policies to stay compliant with the USOPC. The firm also has a list of disinterested volunteers (other attorneys) who are willing to serve on any USA-WSWS grievance hearing panels (e.g., Tate/Nichols grievance).

- **Human Resources** - Hired Frances (Fran) Buchanan as Business Operations Manager (starts Aug. 1) to replace Jessica Modrak who is leaving USA-WSWS to attend graduate school. Reviewed 107 resumes, conducted nine 30-minute meet-and-greet interviews, five hour-long final interviews and three staff interviews. Fran is a graduate of the University of Mississippi and received a Master of Science in Sport and Entertainment Management degree from the University of South Carolina. She spent the last three years with PGA of America serving as Volunteer Operations Coordinator for various PGA Championship events.
- **U.S. Coast Guard Grant** - We were informed in early July that our application for funding (for development of a towed water sports specific boating safety course) from the U.S. Coast Guard was not accepted. Had a very positive discussion with the grant administrators on how to improve our application in hopes of receiving funding in the future.

Finances

- **Expense Reduction** - Trimmed operating expenses by **21.8 percent** (\$1,564,743 to \$1,222,997) from 2019 to 2021 saving the organization **\$341,746** over a three-year span.
- **Additional Revenue** (Grants and Federal Assistance) - Over a three-year period from 2019 to 2021, secured a total of **\$468,602** in grant funding and federal assistance for the organization.

Total Grant & Government Funding Secured

2019

- | | | |
|---|--|----------------|
| • | Women’s Sports Foundation (Learn to Ski event) | \$5,000 |
| • | Florida Sports Foundation (Learn to Ski event) | \$2,500 |
| | 2019 Total: | \$7,500 |

2020

- | | | |
|---|--|------------------|
| • | USOPC Administrative Grant (staff/accounting firm) | \$50,000 |
| • | USOPC Covid-19 Relief Grant (Operations/Elite Athlete Grant) | \$32,400 |
| • | USOPC Digital Media Agreement (move to new website) | \$50,000 |
| ○ | USOPC covered cost of cyber insurance | \$3,200 |
| • | PPP Loan #1– First Home Bank (fully forgiven) | \$95,500 |
| | 2020 Total: | \$231,100 |

2021

- | | | |
|---|--|------------------|
| • | USOPC Administrative Grant (staff/accounting firm) | \$50,000 |
| • | USOPC Digital Media Agreement (move to new website) | \$50,000 |
| • | Connect Sports Event Grant (distributed to SDs) | \$5,000 |
| • | PPP Loan #2 First Home Bank (will be fully forgiven) | \$95,500 |
| • | Employee Retention Credit | \$29,502 |
| | 2021 Total: | \$230,002 |

Three-Year Grant, USOPC & Government Funding Total:

\$468,602

Membership

- Total members as of June 30 is **12,528**
 - 3,959 individual active
 - 1,310 family head of household
 - 3,517 family active (spouse and dependents)
 - 2,354 under 25 active
 - 538 grassroots active
 - 165 Ambassador/Life active
 - 342 supporting
 - 340 Ambassador/Life supporting

Membership Marketing

- **Sports Engine** - Worked with Sports Engine to add water skiing to their list of sports on their website. Sports Engine is owned by NBC, and they will be promoting this site extensively throughout the Olympics on NBC, the Olympic Channel, and their various streaming channels. The idea behind the site is to give parents different options for youth sports in their communities - <https://www.sportsengine.com/water-skiing>.
- **100th Anniversary of Water Skiing** - USA-WSWS is partnering with Polk County Sports Marketing on a number of initiatives around the 100th anniversary in 2022 to include an expanded Awards Banquet (Gala), 100th themed branding at all National Championships, commercials for live stream events and social media, membership growth incentives, themed editions of *The Water Skier* magazine, goodie bags for Get on the Water Week and Basic Skills clinics, goodie bags for competitors at National Championships, various year-long giveaways of and contests for official 100th Anniversary merchandise. The September 2021 soft launch of the celebration includes the logo reveal, a teaser social media campaign counting down to 2022, an early bird preview flash sale of 100th Anniversary merchandise items, and an announcement in the fall issue of *The Water Skier*. We are also sending a request to our Sport Disciplines, USA-WSWS Clubs, USA-WSWS National Championships LOCs, sponsors, and industry allies to add the 100th Anniversary logo to their websites, social media platforms, event collateral (backdrops, posters, bibs, etc.). PCSM is investing more than \$50,000 in the initiative including \$12,500 directly to USA-WSWS for various marketing items.
- **Get on the Water Week** - Second annual membership promotion concluded in early July. Clubs were given free sanctioning and guest memberships for hosting a free clinic to introduce more people to the sport. Received 619 registrations for 25 free Basic Skills clinics hosted by 25 clubs across the country (55.17% of participants surveyed expressed interest in joining their local club after the event). One club indicated that they gained 10 new club members from *Get on the Water Week*.

- Get on the Water Week Full Recap - <https://usawaterski.sharepoint.com/:b:g/EZP9ngXhd5dHop9VFm2CdfAB9O4nBhLeP7MQXQ66RvGOTQ?e=B1fphM>

Sponsorship

- Working on MasterCraft renewal (expired June 30, 2021).
- Reaching out, with an introduction to USA-WSWS, to a list of RV, Truck, Gas/Petroleum and Hard Selzer companies (received 150+ contacts from Sponsor United that we are currently inputting into Salesforce).
- Working with Xero Shoes to introduce the brand to 6-8 top water ski and wakeboard athletes. Athletes will get product to see if they like it. Could open the door to a larger value in kind (VIK) opportunity for USA-WSWS to outfit our various National Teams (Xero Shoes has a similar relationship with US Artistic Swimming).
- Pitching/In the pipeline that receive communication at least once every few weeks are Progressive Insurance, Zero Off, ToYou Bars, Herbalife, Forrest T Jones (Liberty Mutual Insurance), So Good So You, Roswell Marine, Wet Sounds, Airhead, Kicker Audio, Hit it H2O, Zup Boards, Body Glove.
- Secured an additional partnership agreement from PCTSM (\$12,500) for promotion of the 100th Anniversary of Water Skiing (to cover costs of promotional items, signage, etc.).

Compliance / Safe Sport

- Working with Jeff Clark and Jeff Smith along with the new law firm to make final revisions to Bylaws and Policy and Procedures documents for USOPC Certification Review (due August 6). The Certification review occurs every four years and is needed to be recognized by the USOPC as a sport NGB.
- Continuing to develop a Safe Sport communication plan to members.
 - Created a Q&A video that was emailed to all members and highlighted on social media channels - <https://www.youtube.com/watch?v=CATJvoAegIk&t=2s>.
 - Will be developing an animation “explainer video” in Q3/Q4 that will be used to help explain the board’s decision to implement Safe Sport training and what members need to do (received a \$4,000 grant from the USOPC to produce this video via Next Day Animations).

Misc.

- **Elite Athlete Development Grant** - Part of the USOPC COVID Relief Grant of \$32,400 from 2020. Per the USOPC, half was used for business operations (\$16,200 in 2020) and the other half for an Elite Athlete Development Grant (\$16,200 in 2021). Awarded 18 athletes a grant amount of \$900 each for training, entry fees, travel, etc. Athletes represented AWSA, USA Wakeboard and Adaptive Sport Divisions. Will look to potentially continue the program with USA-WSWS funds in 2022 and beyond.

- **Connect Sports Grant** - Received a \$5,000 grant from Connect Sports, an organization that connects rights holders (NGBs) to cities to host various sporting events. The grant is restrictive to 2021 events with a focus on event operations. They understood that Covid had a significant impact on sports events last year and wanted to help jump start events for 2021. The funds were distributed to various Sports Disciplines to assist with 2021 National Championship event operations:

NSSA	\$1,500 (\$750 for D1 Nationals and \$750 for D2 Nationals)
AWSA	\$1,500 (Goode Nationals and US Open – hosted by same LOC in same week)
Barefoot	\$500 (National Championship)
Ski Racing	\$500 (National Championship)
Collegiate	\$500 (National Championship)
Wakeboard	\$500 (PanAm Cable Championship)

Note that there were no national events for Adaptive, Kneeboard or Hydrofoil.

- **Sony Music Copyright Complaint** - Dealing with a law firm representing Sony Music demanding a monetary settlement over a copyright issue with 25-plus show ski YouTube videos on the USA-WSWS YouTube Channel. All videos have been removed (or set to private), and we will look for a way to house them behind the membership wall in the future. Our current music licenses with ASCAP and BMI are for “live events” and do not include broadcast (TV or stream) performances. The license for recorded performances could grow to the tens of thousands in costs. We will continue to host these live streams on our website but after the shows, the archive will not be available to the public on Facebook or YouTube but rather behind the membership wall.
- Ben Groen barefoot water skiing push up video was featured on ESPN SportsCenter’s Twitter feed on May 18. SportsCenter has over 37.7 MILLION followers on Twitter. <https://twitter.com/SportsCenter/status/1394491870449971214>