

Kempner Water Supply Corp.

P.O. Box 103

Kempner, TX 76539

(512)932-3701

Fax (512)932-2546

(254)547-9430

Subject: Minutes of the Board of Director's Meeting on October 23, 2019 are in summary only and, not a transcript of the recorded meeting.

Attendees: Board – George Gondorchin, Richard (Ric) Dominowski, George McClintock, Vanita Craft, Janice Kliza, Mack Carroll, Keith Turner, Glen Posey and Roger O'Dwyer.
Guests - Pat Linder, Attorney at Law from Davidson, Troilo, Ream and Garza; Owen DeWitt and Wayne Wolfe.
Staff - Delores Coberley, Michael Lentz, Stacy Ellis and Susan Isenburg.

- 1. Call to Order and Establish Quorum – 6:00 pm Quorum Present**
- 2. Pledge of Allegiance and Honor to the Texas Flag**
- 3. Open Session –**

Mr. Owen Dewitt addressed the Board regarding his disappointment, in how the Special Call Workshop for the Budget was posted on the website.

He also stated; the House Bill #2840 which was passed, made changes that allowed the public to address items on the agenda. Pat Linder, Attorney at Law, informed the Board, he had provided a memo to Delores and will implement requirements.

NEW BUSINESS

- 4. Discussion and possible action regarding Strategic Plan.**

Glenn Posey presented the Strategic Plan to the Board. The plan identifies; Capital Improvements and Asset Management items that will impact Long Term Planning, establish tracking and planning tools to support Long-Term Planning and Budgeting, and develop recommendations on future Long-Term Planning efforts. The Strategic Plan will be in the Board packet each month and continue as we are, with tracking sheets. There will be no need to create a policy for the Strategic Plan.

Keith Turner mentioned, he did not see a Human Capital needs, as the system grows. Glenn stated, this would be addressed when needed.

Ric Dominowski made the motion to approve the Strategic Plan. Keith Turner seconded the motion. 9 in favor, 0 opposed, 0 abstained.

5. Discussion and possible action to approve the 2019-2020 Calendar of Events.

As requested by the Board, Delores moved various committee meetings in order to be more prepared prior to the Budget process.

Keith Turner made the motion to approve the 2019-2020 Calendar of Events. Vanita Craft seconded the motion. 9 in favor, 0 opposed, 0 abstained.

6. Discussion and possible action to approve the September 25, 2019 Monthly Board of Director's Meeting Minutes.

Roger O'Dwyer made the motion to approve the September 25, 2019 Monthly Board of Director's Meeting Minutes. Janice Kliza second the motion. 9 in favor, 0 opposed, 0 abstained.

7. Discussion and possible action regarding Co-Bank (Loan to fund Infrastructure Improvements & Refinancing of the Existing Dept).

Stacy Ellis checked with 6 different banks and Co-Bank had the best interest rate. Co-Bank requires a 6-month reserve instead of a 12-month reserve like TWDB, which would free up about \$1,000,00.00 which we can use in upgrades in other areas of the system.

Keith Turner asked if we could give the members relief on the increase on the bill but; he was informed, we need to use these funds for upgrades in the systems which are TCEQ requirements.

Glen Posey asked if we can draw the funds as we need them. Stacy informed him; the interest rates are variable. In addition, we have the risk of a higher rate if we draw the funds as needed.

Keith Turner made the motion to authorize Stacy to move forward with the refinance and the new loan based on Co-Bank's proposal. Ric Dominowski seconded the motion. 9 in favor, 0 opposed, 0 abstained.

Keith Turner made motion to allow the Executive Committee to sign the loan documents. Ric Dominowski seconded the motion. 9 in favor, 0 opposed, 0 abstained.

8. Discussion and possible action to approve the September 2019 Financial Statements.

Keith Turner recommended; we check the deductible on our insurance policy since, we didn't get any relief from the damages caused from the lightning strikes last year.

Keith Turner made the motion to approve the September 2019 Financial Statements. Roger O'Dwyer seconded the motion. 9 in favor, 0 opposed, 0 abstained.

9. Discussion and possible action to approve Committee Meeting Minutes.

a) Member/Customer Relations Committee – October 7, 2019

The Member/Customer Relations Committee met with Mr. Michael Clouds regarding a bill dispute. Mr. Clouds meter was locked in February for non-payment, he paid his bill online and the office did not see the payment. The Board recommended to give Mr. Clouds credit for 4 months where the water service was unavailable but; charge him the reconnect fee, which the office originally waived. The total base was \$271.36 for the 4 months less the reconnect fee, which should have been \$100.00 charged to him, for a total credit of \$171.36.

Roger O'Dwyer made the motion to approve the committee recommendations to issue Mr. Clouds a credit of \$171.36 on his account. George Gondorchin seconded the motion. 9 in favor, 0 opposed, 0 abstained.

OLD BUSINESS

“Discussion and possible action”

- a) CTWSC – Summary Judgement hearing was October 11, 2019. We are currently awaiting Judge Adams, Summary Judgement ruling. Andy McSwain is extremely hopeful. The Judge has asked for the summaries in writing.
- b) Transfer of CCN for Clayton Ranch, Bellpass and Dolph Moton have been sent to PUC. Note: Bellpass and Dolph Moten is the other Escrow Agreement, payment pending PUC approval.
- c) CR 3600 Line Loop Project – All Right-of-Way requests for Topographic Survey have been received from landowners. Survey completed, awaiting final plans from our engineer which remains ongoing.
- d) CR 3420 Project – Mr. & Mrs. Bicknell had requested to extend the pump station along CR 3560, move the entrance to CR 3560 and waiting for final plans from our engineer.
- e) WTP Intake Structure –Received the pump but, must send it back because it was not built to specs and it will be another 3 weeks.
- f) NE System Upgrade – Awaiting final engineering plans.

****Executive Session recommended prior to discussion and action in Open Session****

10. Discussion and possible action regarding refund of “Water Service Fees” to Jeff Dewald, pursuant to Section 551.071 for purposes of consulting with its attorneys.

Out of Regular Session 7:14 pm

Into Executive Session 7:16 pm

Out of Executive Session 8:05 pm

Into Regular Session 8:06 pm

Janice Kliza made the motion to deny Jeff Dewald's request of a refund of Water Service Fees. Ric Dominowski seconded the motion. 7 in favor, Keith Turner opposed and Vanita Craft abstained.

11. Manager's Report:

Delores Coberley informed the Board, there will be more new projects in the near future. The Pump Curve Report will be eliminated from the monthly packet unless, we have a problem with a pump.

12. President's Comments:

George Gondorchin thanked the members present and the lawyer for attending the Meeting as well as, Board members for a good meeting.

13. Board of Director's Announcements:

Keith Turner – Thanked the staff for informing him of his water leak.

Vanita Craft – Thanked the staff for the phone call informing her of a water leak.

Janice Kliza – Nothing

George McClintock – Nothing

Ric Dominowski – Nothing

Mack Carroll – Nothing

Glen Posey – The staff has done a lot of work on the Strategic Plan and appreciated all their hard work. He also thanked the staff for the phone call informing him of a leak.

Roger O'Dwyer – Nothing

14. Adjourn

Vanita Craft made the motion to adjourn at 7:19. Keith Turner seconded the motion. 7 in favor, 0 opposed, 0 abstained.

George McClintock, Secretary/Treasurer