

Kempner Water Supply Corporation

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 28, 2020 are in summary only and, not a transcript of the recorded meeting.

Attendees: Board - Richard (Ric) Dominowski, Glen Posey, George McClintock, Roger O'Dwyer, Wende Hammond and Kenneth Sinker. Keith Turner joined by phone.
Mack Carroll and Tom Kyzar were absent.
Guests - Owen DeWitt and Jason Jones
Staff Present - Delores Coberley, Stacy Ellis, Michael Lentz, Melody Stults, and Rodney Seaver.

- 1. Called to Order and Establish Quorum – 6:00 pm Quorum Present**
- 2. Pledge of Allegiance and Honor to the Texas Flag**
- 3. Open Session - None**

“NEW BUSINESS”

- 4. Discussion and possible action to approve bid opening and contract for CR3420 Project.**

Jason Jones explained the 3420 Pump Station was built in the 90's. It serves approximately 20-30 customers and is long overdue for an upgrade to achieve compliance with TCEQ. Two years ago, the Board of Directors originally approved the rehab, which was estimated to cost around \$400,000. In today's market, the costs are significantly higher. The lowest bid, submitted by Legion Development, was \$585,000. This bid is to install a hydro-pneumatic tank and pump station upgrade with the capability of serving up to 200 customers. The pump station will be factory built and tested. It is essentially a “plug & play” system, so the contractor would be responsible for site work and installation of the pre-built pump station. At the time of completion, the supplier will send a representative to initiate start-up and verify functionality.

Glen Posey made the motion to award the CR 3420 project bid to Legion Development, allowing them to move forward with the project as quoted, and authorizing the General Manager to sign the construction contracts. Ken Sinker seconded the motion. 7 in favor and 0 opposed.

5. Discussion and possible action to approve the September 23, 2020 Monthly Board of Director's Meeting Minutes.

Roger O'Dwyer made the motion to approve the September 23, 2020 Monthly Board of Director's Meeting Minutes. Wende Hammond seconded the motion. 7 in favor and 0 opposed.

6. Discussion and possible action to approve the September 2020 Financial Statements.

Keith Turner made the motion to approve the September 2020 Financial Statements. Roger O'Dwyer seconded the motion. 7 in favor and 0 opposed.

7. Discussion and possible action to approve the 2020-2021 Calendar of Events.

Delores explained the only changes made to the calendar was updating the actual dates of the monthly meetings from the previous year. Upon review, it was noticed the November meeting was written as the 18th instead of the 25th. Keith requested the staff send electronic meeting requests to the Board of Director's so they can easily accept the invite and add the meeting dates to their electronic calendars.

Glen Posey made the motion to accept the Calendar of Events with the correction of the November date to the 25th. Ken Sinker seconded the motion. 7 in favor and 0 opposed.

8. Discussion and possible action regarding removal of director Mack Carroll, pursuant to Article V, Section 2 of the KWSC Bylaws.

Ric Dominowski informed the Board that Mack Carroll's family refused KWSC staff's request for an appointment to allow Ric and Roger to visit and obtain an official resignation letter. Keith Turner made to motion to remove Mack Carroll, without prejudice, from his position on the KWSC Board, pursuant to Article V, Section 2 of the KWSC Bylaws. Ken Sinker seconded the motion. 7 in favor and 0 opposed.

9. Discussion and possible action regarding filling of vacancy on the Board of Director's.

Ric Dominowski stated it is within policy guidelines to fill vacant BOD seats as soon as possible. It was brought to his attention that in addition to Mack's removal, Wende Hammond will be submitting her resignation, which would then leave two vacant seats on the Board. Ric Dominowski stated KWSC currently has an active application on file from Owen DeWitt.

Keith made the motion to appoint Owen DeWitt to Mack Carroll's position on the Board. Ken Sinker seconded the motion. 7 in favor and 0 opposed.

Owen DeWitt took his newly appointed seat on the Board as an active Director. Ric Dominowski encouraged the current Director's to solicit members to submit applications. Staff was asked to advertise the second vacancy on KWSC's website, with a November 15th deadline.

10. Discussion and possible action to approve Injection Site at Office.

Rodney explained there are times when our residuals get low throughout the distribution system and this really affects the water in the far North of the system. Low residuals cause KWSC staff to be required to do a lot of extra dead-end flushing to maintain water quality and compliance. The installation of an injection site at the office would reduce the additional flushing requirements. Jah-Con Instrumentation has submitted a bid to install an injection site in the pre-existing building and vault in the back. This cost was not included in the 2021 approved budget. Jason Jones stated the quote submitted sounds low for the scope of work and he needs to check with TCEQ to ensure the system, as quoted, is acceptable.

Ken Sinker made the motion to allow Rodney to work with Jason Jones to prepare an analysis of the benefits an injection site would provide and to allow Jason to work with TCEQ to ensure compliance. Wende Hammond seconded the motion. 8 in favor and 0 opposed.

11. Discussion and possible action regarding WTP "Letter of Intent" for S.D. Kallman, Engineers and Environmental Consultants.

Delores Coberley informed the Board that S.D. Kallman is a very well-known engineering firm with extensive membrane plant experience. They engineered the CTWSC membrane plant and have been their plant engineer for many years. Prior to requesting Kallman's service quote, Delores verified with CTWSC general manager, BOD President and KWSC's attorney that it was ok and would not be a conflict of interest. Keith Turner made the motion to accept the Letter of Intent submitted by S.D. Kallman, Engineers and Environmental Consultants. Roger O'Dwyer seconded the motion. 8 in favor and 0 opposed.

12. Discussion and possible action to approve Committee Meeting Minutes:

a) Tariff/Rates Committee - October 13, 2020

Roger O'Dwyer discussed the details of the Committee Meeting. There are no recommendations or action to be taken. George McClintock made the motion to approve the October 13, 2020 Committee Minutes. Wende Hammond seconded the motion. 8 in favor and 0 opposed.

b) Vehicle Committee - October 20 & 23, 2020

Keith Turner discussed the details of the October 20, 2020 Vehicle Committee Meeting. The October 20th meeting required no recommendations or action be taken. Glen Posey made the motion to approve the October 20, 2020 Vehicle Committee Meeting Minutes, with the grammatical correction of "Holt Cat" on page two. Owen DeWitt seconded the motion. 8 in favor and 0 opposed.

Keith Turner discussed the details of the October 23, 2020 Vehicle Committee Meeting Minutes. The committee recommends paying cash for the approved equipment, rather than financing it. Owen DeWitt made the motion to approve the minutes and recommendation of the October 23, 2020 Vehicle Committee Meeting. Wende Hammond seconded the motion. 8 in favor and 0 opposed.

“OLD BUSINESS”

“Discussion and possible action”

- a) **CTWSC** – CTWSC filed an appeal on June 10, 2020 and their brief was filed on September 11, 2020. We will file our brief in 30-60 days.
- b) **Transfer of CCN to Copperas Cove and Release of Escrow** – Complete. We received the escrow money in the amount of \$263,823.00 on October 14, 2020.
- c) **CR 3600 Line Loop Project** – Bidding and contract award scheduled for March 2021. Construction completion scheduled for February 2022.
- d) **FM 1113 Waterline Loop** – Bidding and contract award scheduled for March 2021. Construction completion scheduled for February 2022.
- e) **CR 3420 Pump Station Project** – Board approval for bid opening and contract.
- f) **Stone Oaks Elevated Storage Tank** – Paid 2 checks to Caldwell Tanks in the amounts of \$22,571.34 and \$125,630.09 = \$148,201.43 of the \$1,752,600 approved amount.
Note: Bid from Caldwell Tanks came in at \$1,632,600. Currently constructing foundation and site piping. Project completion scheduled for April 2021 – June 2021.
- g) **USDA Loan through CoBank** – Currently working on the Preliminary Engineering Report (PER) for phase 2 (CR 3600 and FM 113 waterlines).
- h) **City of Georgetown CCN Transfer on FM 2484** – Georgetown City Council approved the CCN transfer agreement. Pending Sale, Transfer, Merger (STM) application to the PUCT.
- i) **GIS Mapping for Distribution System:** Scanning, georeferencing and digitizing North Zone distribution system maps.

13. Manager’s Report:

Delores Coberley informed the Board that KWSC staff has marked the developing subdivisions included in the monthly Manager’s report on the big map in the Board room for easy view. The red markings indicate developments that are going in with the expectation of drilling wells and have not requested service from KWSC. Keith Turner asked for clarification on the current Aged Receivables and if that is a standard number or if it is higher than normal because of COVID 19. Delores stated she did not believe it was out of the ordinary, but she would verify with Susan and further clarify that information. Keith brought up the VFD contributions reported in the monthly manager’s report and stated it would be nice of the Board to consider the possibility of allocating some of those contributions to help offset the cost of the water service that will be installed at the new Kempner VFD that is being built.

14. President's comments.

Nothing this month.

15. Board of Director's Announcements:

Roger O'Dwyer – Check signing was interesting; everyone should take the opportunity to try for themselves. It was very enlightening.

Kenneth Sinker – Would like to thank Rodney, Delores, and other staff for all their work. It is great being on the Board.

Keith Turner – I watched the Buckley presentation last night and all the comments about KWSC fees constantly going up was disheartening. He challenged all BOD and Staff to look for ways to decrease operational costs to better serve the membership.

Wende Hammond – It has been a pleasure serving with you all and wish you all the best.

Glen Posey – Elections Committee is coming up and since George is up for reelection, I will be heading that Committee, which will meet November 4th at 1:30 pm.

George McClintock – Nothing

Owen DeWitt – Bear with me over the next couple of months. Now that I am officially on the Board and not just a guest, my last name has a capital "W".

16. Adjourn

Keith Turner made the motion to adjourn at 7:35 pm. Ken Sinker seconded the motion. 8 in favor and 0 opposed.

George McClintock, Secretary/Treasurer