

Kempner Water Supply Corporation

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Subject: Minutes of the Board of Director's Meeting on February 26, 2025, are in summary only and, not a transcript of the recorded Meeting.

Attendees: Board - Dennis Kliza, Sam Kier, John Daugherty, Kara Bathurst and Stella Clements. Dan Christy via teleconference. Paul Williams came in at 6:16 pm. Billy Malady was absent. Staff - Bruce Sorenson, Stacy Ellis, Michael Lentz, Bo Wilson, Chris Mick, JoAnne Welden and Susan Isenburg.

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

NEW BUSINESS

- 4. Discussion and acceptance of 2023-2024 Tentative & Preliminary Audit performed by Brockway, Gerbach, Franklin and Niemeier, P.C.**

Adam Haberer went over the audited financial statements. He explained that the auditor issued a clean opinion and there were no findings during the audit process. KWSC is in good financial standing. Sam Kier asked if we could disclose the wholesale water sales in the nature of activities and revenue recognition notes since it has reached about 15% of KWSC's annual revenue. He also asked that the volunteer fire department contributions be listed in note #14 regarding pass-through funds.

Sam Kier made the motion to accept the 2023-2024 Tentative & Preliminary Audit performed by Brockway, Gerbach, Franklin & Niemeier, P.C. with the inclusion of the wholesale water and volunteer fire department comments. Kara Bathurst seconded the motion. 6 in favor, 1 abstained and 0 opposed.

- 5. Discussion and possible action to approve January 22, 2025, Monthly Board of Director Meeting Minutes.**

Dennis stated the end of the manager's report should read, "The clear well at the plant will need to be rehabbed at a cost of \$500,000 which is not in the budget". Sam Kier made a motion to approve January 22, 2025, Monthly Board of Director Meeting Minutes, with the above-mentioned change to Item #9. John Daugherty seconded the motion. 7 in favor and 0 opposed.

6. Discussion and possible action to approve The January 2025 Financial Statements.

Stacy Ellis presented the Financial Statements to the Board. Sam Kier made the motion to approve the January 2025 Financial Statements. Paul Williams seconded the motion. 7 in favor. 0 opposed.

7. Discussion and possible action to approve Buffalo Hills Subdivision.

Sam Kier made the motion to approve Buffalo Hills Subdivision. Kara Bathurst seconded the motion. 7 in favor, 0 opposed.

8. Discussion and possible action to approve Frase Subdivision.

Sam Kier made the motion to approve Frase Subdivision upon receipt of revised engineering report. Stella Clements seconded the motion. 7 in favor, 0 opposed.

9. Discussion and possible action regarding Old Business.

No Old Business.

10. Manager's Report:

Susan went over a five-year comparison of meter installs and cancellations. Bruce went over the upcoming long range plan projects and explained that some of them are compliance issues and need to be handled expeditiously. The Alliance is coming along. A House Bill number has been assigned, and it will be going before the Committee soon. We have been looking at some new technologies for filtration with our engineer that we want to pilot study for our backwash water at the plant. We have been striving to keep KWSC members informed of what is going on regularly.

11. Board of Directors' Announcements:

Paul Williams – Nothing

John Daugherty – Nothing

Stella Clements – Nothing

John Daugherty – I think we need to do some things to promote positive press, like ribbon cuttings when we do big projects and enhancements to the system.

Sam Kier – Could you clarify the dates for next month's meetings since we have two?

Dan Christy – Nothing

Kara Bathurst – Maybe we should try to include some basic clarification on our website that shows why we do not qualify for grants.

12. President's Comments:

Nothing

13. Adjourn:

Sam Kier made the motion to adjourn at 7:25 pm. Paul Williams seconded the motion.
7 in favor, 0 abstained.

Dan Christy, Secretary/Treasurer