

Kempner Water Supply Corporation

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Subject: Minutes of the Board of Director's Meeting on June 25, 2025, are in summary only and, not a transcript of the recorded meeting.

Attendees: Board - Billy Malady, Sam Kier, Dan Christy, Paul Williams, John Daugherty, Joe Spoon, Brandon Butts and Stella Clements. Kara Bathurst was absent.
Staff - Bruce Sorenson, Cindy Benson, Bo Wilson, JoAnne Welden, TJ Amstead and Susan Isenburg.
Guests - Angie Amstead and Matt Janecek, Lampasas Radio Gram.

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 May 28, 2025, Monthly Board of Director's Meeting Minutes.

Sam Kier made the motion to approve May 28, 2025, Monthly Board of Directors meeting minutes as written. Dan Christy seconded the motion. 8 in favor, 0 opposed.

5. Discussion and possible action to approve the May 2025 Financial Statements.

Sam Kier made the motion to approve the May 2025 Financial Statement.
Paul Williams seconded the motion. 8 in favor, 0 opposed.

6. Discussion and possible action to approve committee Meeting Minutes.

a) Vehicles Committee Meeting – June 6, 2025

The Vehicle Committee agreed that while diesel trucks have higher upfront costs, they offer longer lifespans and better fuel economy. Approve the purchase of a ¾ ton (2500) diesel truck with a service bed to replace VIN #9848 at a cost not to exceed \$90,000. Sell Vin #9848 (current spare truck) and convert VIN #8619 to the spare. Approve the purchase of a used forklift, not to exceed \$35,000.00 with the requirement that staff present at least 3 viable options at the time of purchase for final board approval before proceeding. Sam Kier made the motion to approve the Vehicle Committee recommendations. Paul Williams seconded the motion. 8 in favor, 0 opposed.

b) Tariff/Rates Committee Meeting – June 11, 2025

The committee reviewed the Tariff and rates associated with establishing new service and recommended the following changes:

- Tariff updated to include 3-inch meter rate.
- Fee Changes:
 - Transfer Fee: Increased from \$25.00 to \$75.00 to cover easement refiling.
 - Tap Fee (3/4): Increased from \$1000.00 to \$1300.00 to reflect updated materials/labor and increase per LUE equivalency, per AWWA standards.
 - Late Fee: Proposed increase from \$20.00 to \$25.00; percentage-based option considered but not recommended.
 - Updated Equity-Buy In fee to \$2,250.00 based on audit figures; applies per member regardless of meter size.
 - Adding a separate impact fee (in addition to equity buy-in). This fee would start at \$850.00 for a standard size meter increase per LUE equivalency, per AWWA standards.
- Tariff Language Update:
 - Impact Fee: Each applicant for a new service where a new tap is necessary shall be assessed and a one-time charge imposed to help fund infrastructure improvements needed to accommodate new growth. These fees are used to offset the financial impact of new developments on the existing water infrastructure and can be used for items like increased capacity or larger piping included in the Long-Range Plan.
 - Adding a new subsection G to section 32. Member's Responsibility G. Members, property owners, and customers are responsible for installing and maintaining their own individual thermal expansion control tanks on the cold-water supply line near their water heaters. Thermal expansion tanks serve as a critical component to decrease the risk of damage to plumbing when pressure is lost on the Corporation's side of the water meter, whether because of a leak, repair or maintenance, or flushing of the after main. Thermal expansion tanks are required by plumbing codes, where applicable. For example, where a storage water heater is supplied with cold water that passes through a check valve, pressure reducing valve or backflow preventer, a thermal expansion control device shall be connected to the water heater cold water supply pipe at a point that is downstream of all check valves, pressure reducing valves and backflow preventers. Thermal expansion tanks shall be sized in accordance with the tank manufacturer's instructions and shall be sized such that the pressure in the water distribution system shall not exceed that required by Section 604.8

Dan Christy made the motion to approve the Tariff/Rates Committee recommendations. Joe Spoon seconded the motion. 8 in favor, 0 opposed.

7. Discussion and possible action regarding Contracts with Central Texas WSC, City of Lampasas, Salado Water Supply, BRA and SUD Pros and Cons.

Bruce Sorenson discussed the contracts that Kempner WSC has with Central Texas WSC, City of Lampasas, Salado Water Supply, BRA and SUD Pros and Cons.

Our plant was built because of capacity issues and because CTWSC wanted Kempner to pay for upgrading their old plant.

He would like to form an arbitration committee to work with Lampasas and try and get them to pay for what they are receiving. The Board directed that Bruce request to be put on the agenda for the Lampasas City Council meeting to discuss issues in a workshop with the staff. He informed them that a copy of the arbitration report had already been sent to the City of Lampasas.

He informed the Board that Salado had reached out to him that they would pull out of our plant for a \$5,000,000.00 fee. The Board instructed Bruce to set up a meeting to negotiate with Salado.

The Board discussed the Pros and Cons for becoming a SUD. It would be difficult to elect BOD members because it would be county wide and do not have to be customers of Kempner WSC. You must have 60 percent of the members to vote for going to SUD, which will be exceedingly difficult.

8. Discussion and possible action regarding Old Business.

No old business discussed.

9. Manager's Report:

A bucket test was done on CTWSC water, the residuals lasted a month, and the manganese was minimal. The color issue that we have been having is caused by the injection site at Ivy Mountain Tank that was not working correctly and injecting too much chlorine.

The generator at the plant is a work in progress. The Board directed Bruce and TJ to present a spread sheet on what has been done on the generator and what needs to be done with the cost detailed.

Central Texas Alliance has their first meeting since being approved by the state on July 3.

We have met with the engineer about the upgrade on Lutheran Church Road and the construction meetings will start in 2 weeks. The information letters have been sent to the customers that will be affected and the easements that we have been recording. We still have two easements that we must obtain, and those letters have been out also.

10. Board of Director's Announcements:

Sam Kier would like to conduct the BOD meetings live, either by Facebook or through Teams. Brandon Butts and Joe Spoon will work on this.

11. President's Comments

No comments.

12. Adjourn

Paul Williams made the motion to adjourn at 7:50 PM. Joe Spoon seconded the motion. 8 in favor, 0 opposed.