

Kempner Water Supply Corporation

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Subject: Minutes of the Board of Director's Meeting on January 27, 2021 are in summary only and, not a transcript of the recorded meeting.

Attendees: Board - Richard (Ric) Dominowski, George McClintock, Roger O'Dwyer, Kenneth (Ken) Sinker, Keith Turner and Owen Dewitt. (*)Glen Posey via phone (departed @ 7PM-Item #12) and Carl (Tom) Kyzar arrived at 6:42 pm.

Guests - Adam Haberer, Auditor, Dan Hause, Kempner Volunteer Fire Department, Scott Mullican and Carl Stevens.

Staff Present - Delores Coberley, Stacy Ellis, Michael Lentz, Susan Isenburg 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 acceptance of 2019-2020 Tentative & Preliminary Audit performed by Brockway, Gersbach, Franklin & Niemeier, P.C.**

Adam Haberer, Auditor from Brockway, Gersbach, Franklin & Niemeier presented the 2019-2020 Preliminary Audit to the Board. There was an increase in revenue and a decrease in expenses and a significant decrease in interest. There was a surplus in 2020 and deficit in 2019 due to rates and loan savings. He stated the Corporation is in good financial health.

Keith Turner asked why there was an increase in administration expenses and why we show the settlement loss in one year. Adam informed him, that it was law that we had to show the loss in one year.

Ric Dominowski made the motion to accept the 2019-2020 Tentative & Preliminary Audit. Roger O'Dwyer seconded the motion. 7 in favor and 0 opposed.

- 5. Discussion and approval of Becky McDonald as 2021 Elections Officer.**

George McClintock made the motion to approve Becky McDonald as the 2021 Elections Officer. Owen DeWitt seconded motion. (*)6 in favor, 0 opposed and Keith Turner abstained.

6. Discussion and possible action regarding Water Service for New Fire Station on FM 2313.

Dan Hause from the Kempner Volunteer Fire Department addressed the Board for water service for the New Fire Station on the corner of CR 3210 and FM 2313. He stated, they cover 108 square miles with 385 runs last year. Owen DeWitt made the motion to waive the \$1,675.00 for the impact and install fee. Ken Sinker seconded the motion. 7 in favor and 0 opposed.

7. Discussion and possible action regarding CTWSC Board of Director's Assignment.

Keith Turner made the motion to approve Delores Coberley as the CTWSC Board of Director. Ken Sinker seconded the motion. (*)8 in favor and 0 opposed.

8. Discussion and possible action regarding cost for providing Bulk Water to WCID1.

Owen DeWitt made the motion to charge WCID1 \$1.50 per 1,000 gallons for the bulk water they received. Roger O'Dwyer seconded the motion. 8 in favor and 0 opposed.

9. Discussion and acceptance of Board of Director, Wende Hammond resignation letter dated November 4, 2020.

Tom Kyzar made the motion to approve Wende Hammonds' resignation letter dated November 4, 2020. Keith Turner seconded the motion. 8 in favor and 0 opposed.

10. Discussion and possible action to approve use of Joint Use Facilities Funds between KWSC and City of Lampasas for costs associated with Clarifier at CTWSC \$57,070.24 and August 22, 2020 Lighting Strike insurance deductible \$10,000.00.

Keith Turner made the motion to approve the use of Joint Use Facilities Funds between KWSC and City of Lampasas for costs associated with the Clarifier at CTWSC \$57,070.24 and August 22, 2020 Lighting Strike insurance deductible \$10,000.00. Roger O'Dwyer seconded the motion. 8 in favor and 0 opposed.

11. Discussion and possible action to approve the November 25, 2020 Monthly Board of Director's Meeting Minutes.

Owen DeWitt made the motion to approve the November 25, 2020 Monthly Board of Director's Meeting Minutes. Ken Sinker seconded the motion. 8 in favor and 0 opposed.

12. Discussion and possible action to approve the December 4, 2020 Monthly Board of Director's Meeting Minutes.

Owen DeWitt made the motion to approve with changes to Line Item #3 to show Board and Staff Gathering. Keith Turner seconded the motion. (*)7 in favor and Roger O'Dwyer opposed.

13. Discussion and possible action to approve the November & December 2020 Financial Statements.

Keith Turner made the motion to approve the November & December 2020 Financial Statements. Tom Kyzar seconded the motion. 8 in favor and 0 opposed.

14. Discussion and possible action to approve 1,026 feet of 3” Line Extension on CR 4717 (off CR 4700). Note: Total of 4,626 feet of 3” Line (KWSC 1,026 feet & Paul Williams, Developer to install 3,600 feet.

Rodney Seaver informed the Board, there needs to be a Line Upgrade on CR 4700 because of the size of the existing pipe and a line extension. There is 1,026’ of 3” line extension on CR 4717 at a cost of \$24,024.00. Looping the line will add 24 connections. There is a possibility of cost sharing with the Developer, Paul Williams once we see the water service installed.

Ric Dominowski asked, if we can do this line extension in-house. Rodney explained we do not have enough man power to do that size of a job. Ric asked for a breakdown of job duties for the field crew. Glen Posey would like to have more info and cost comparison of the work done in-house verses hiring a contractor. Owen DeWitt stated, it would be an investment of \$24,000.00 and once the water services are requested there would be \$86,000.00 in income. Stacy Ellis stated, there would be approximately \$7,000.00 in labor cost if we were to do the work in-house.

Keith Turner made the motion to allow the staff to move forward with the 1,026’ of 3” line extension on CR 4717 (off CR 4700) at a cost of \$24,024.00, but with no cost sharing with the Developer. Tom Kyzar 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. KWSC filed a brief on November 10, 2020. We are waiting for El Paso Court to put us on the docket for either oral argument or submission without argument. This process could take months.
- b) CR 3600 Line Loop Project** – The Environmental Study is taking about three months longer than anticipated. Therefore, Jason recommends KWSC hold off on bidding the project until we get closer to the anticipated Environmental Report submittal to USDA (March 2021). Otherwise, KWSC would risk getting into construction before the second USDA Guaranteed Loan has been approved. Construction completion remains scheduled for February 2022.
- c) FM 1113 Waterline Loop** – “See CR 3600 Line Loop Project”
Construction completion remains scheduled for February 2022.
- d) CR 3420 Pump Station Project** – Initial payment of \$10,350.00 has been issued to Legion Development of the \$574,650 approved amount.

- e) **Stone Oaks Elevated Storage Tank** – Paid 4 checks to Caldwell Tanks in the amounts of \$22,571.34, \$125,630.09, \$243,063.87 and \$87,714.54 totaling \$478,979.84 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.
- f) **USDA Loan through CoBank** – Currently working on the Preliminary Engineering Report (PER) for phase 2 (CR 3600 and FM 113 waterlines).
- g) **City of Georgetown CCN Transfer on FM 2484** – Georgetown City Council approved the CCN transfer agreement. Pending Joint Petition under Texas Water Code 13.248 and Board approval based on City of Killeen Intervention.
- h) **GIS Mapping for Distribution System:** Completed process of scanning, georeferencing and digitizing Distribution Maps for KWSC's (5) distribution zones (North, Northwest, West, Southwest and East) and currently coordinating additional information needs with KWSC staff.
- i) **Chlorine Injection Site** – On October 28, 2020, KWSC Board authorized the engineering design and cost analysis for the proposed Chlorine Injection Equipment at the abandoned Pump Station site located at the KWSC field operations office. The project is intended to boost the disinfectant residuals in KWSC's two 24" Transmission Mains along Highway 190 and FM 2313. Currently coordinating the necessity of the proposed project with KWSC staff.

On Item G: Killeen has intervened on the ETJ because, due to a high growth area and they want the CCN. It could cost \$50,000.00 to litigate Killeen and PUC could potentially deny, minimal fees and additional expenses if, we lose and choose not to go forward with an Appeal.

Keith Turner made the motion that we go through PUC Joint Transfer Merger with Georgetown. Ken Sinker seconded the motion. 8 in favor and 0 opposed.

15. Manager's Report:

Delores Coberley informed the Board, there will be an increase in the BRA rates for next year. She has had meetings with Topsey regarding, Dual Certification for Ryatt Ranch and Northern Hills Subdivision.

16. President's comments.

Ric Dominowski apologized to the Board about the lengthy meeting. There was a lot of information that needed addressing.

17. Board of Director's Announcements:

Tom Kyzar – Stated he was sorry he was late for the meeting, due to an emergency at the clinic.

Roger O' Dwyer – There is a Surface Water Meeting he will be attending.

Owen DeWitt – Think about the \$650,000 that we saved with the refinance of the loans.

Ken Sinker – Happy to be here.

Keith Turner – Extension of the 3”, would be nice to see the mapping of this area on the GIS technology system

George McClintock – Thanked the staff and Board for the thoughts and prayers after his wife’s accident, she is now at home.

18. Adjourn

Keith Turner made the motion to adjourn at 7:58 pm. Ken Sinker seconded the motion. 7 in favor and 0 opposed.

George McClintock, Secretary/Treasurer