

Kempner Water Supply Corporation

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Subject: Minutes of the Board of Director's Meeting on March 24, 2021 are in summary only and, not a transcript of the recorded meeting.

Attendees: Board - Richard (Ric) Dominowski, George McClintock, Glen Posey, Roger O'Dwyer, Kenneth (Ken) Sinker, Owen DeWitt and Keith Turner. Tom Kyzar came in at 6:05 pm (*Vote change from 7 to 8 present).
Guests - Jamie Sinker and Ryan Haverlah, Copperas Cove City Manager.
Staff Present - Delores Coberley, Stacy Ellis, Michael Lentz, and Susan Isenburg.

- 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 the February 24, 2021 Monthly Board of Director's Meeting Minutes.**

Owen DeWitt made the motion to approve the February 24, 2021 Monthly Board of Director's Meeting Minutes with minor changes to the spelling of Owen's name.
Keith Turner seconded the motion. 7 in favor, 0 opposed.

- 5. Discussion and possible action to approve the February 2021 Financial Statements.**

Roger O'Dwyer made the motion to approve the February 2021 Financial Statements.
Glen Posey seconded the motion. 8 in favor, 0 opposed.

- 6. Discussion and possible action to consent the assignment of Patterson & Associates Agreement to Meeder Public funds, Inc. pursuant to the Investment Advisers Act of 1940 as amended.**

Delores Coberley informed the Board, Linda Patterson sold out to Meeder Investments and will remain as President. Keith Turner recommended that we monitor the costs through the new company. Keith Turner made the motion to approve Meeder Public Funds as the investment firm thru the current contract. Tom Kyzar seconded the motion. 8 in favor, 0 opposed.

7. Discussion and possible action regarding CCN Decertification with the City of Copperas Cove.

Delores Coberley informed the Board, she had met with the City of Copperas Cove on March 18, 2021 to discuss 258 acres of CCN we would like for them to decertify through PUC. This would clean up four areas where our CCN's overlap. The city is willing to negotiate the decertification and would like to bank the acreage for future use. This would keep us from having to pay for the City to decertify the areas we are requesting, and the City would be able to transfer the same amount of CCN without having to pay. Delores and Ryan agree this would be a win-win situation for both entities and KWSC would maintain 1st right of service. Keith Turner stated we need to specify location in the contract, not just allow the City to choose as time goes on.

Keith Turner made the motion for Delores Coberley to continue negotiations with the City of Copperas Cove regarding the 258 acres CCN that overlap, with a change to \$840.00 per acre instead of \$810.00 and come back to the Board with acres in specific areas. Owen DeWitt seconded the motion. 8 in favor, 0 opposed.

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

a) Tariff/Rates Committee – March 17, 2021

The Tariff/Rates Committee recommends the following changes to the Tariff;

Pg. 8: Add road bore definition. **Pg. 30:** Set road Bore cost at \$750.00 minimum and include terminology subject to market values. **Pg. 31:** On the $\frac{3}{4}$ Meter Tap Fee revert to \$350.00 and the Meter Drop-in Fee revert to \$300.00. **Pg. 31:** Increase Impact/Equity Buy-In Fee to \$1,800.00 (based on calculation of average Equity per Member). Staff to increase larger meter sizes proportionately. **Pg. 32:** Remove "Pay $\frac{1}{2}$ of the total fee when buyer obtains membership and pay $\frac{1}{2}$ of total fee and customer obtaining membership pay remaining $\frac{1}{2}$ of fee." Changes will require 30-day notice.

Owen DeWitt made the motion to approve the Tariff/Rates Committee recommendations. Ken Sinker seconded the motion. 8 in favor, 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. CTWSC has reached out and wants to settle. Ric Dominowski stated that we need to stick to the contract and there is no room for negotiation. Delores Coberley stated to the Board, that we do not need to settle.

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. Delores received a message from Jason Jones stating the environmental study is taking an additional 2 months, but he is working to try to get it back sooner. Bidding rescheduled for May 2021.

- 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, \$87,714.54, \$453,516.70, and \$37,161.72 totaling \$969,658.26 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 13.2 which is currently on hold. The City of Killeen filed a motion to intervene. We are waiting on PUC to issue an order which will be brought back to the Board.
- h) **GIS Mapping for Distribution System:** Completed process of scanning, geo-referencing, 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-inch transmission mains along Highway 190 and FM 2313. Currently coordinating the necessity of the proposed project with KWSC staff.

9. **Manager’s Report:**

Delores Coberley informed the Board, CTWSC wants to settle the lawsuit. In addition, she also informed the Board, Tank Inspections have been completed and there is a Manager’s Meeting scheduled March 31, 2021 to review the inspections, in relation to a timeline for the Long Range Plan.

TCEQ inspection looks good and we will have the results by the end of next month.

The BRA Contract will go up in price to amount that everyone else pays.

The CR 4717 line extension has been completed.

10. **President’s comments.**

Ric Dominowski reminded the Board, of the General Membership Meeting will be tomorrow at 7:00.

11. Board of Director's Announcements:

Roger O'Dwyer - We need to review the Robert Rules of Orders. When someone makes a motion, then someone asks a question is against Robert Rules of Orders.

Keith Turner - If this is his last meeting, he has enjoyed it and he has learned a lot about water.

Owen DeWitt - Thanked Delores and team for sending the letters of explanation out to customer's that were without water due to the Pump Station failures in the storm. He stated that our payment method is antiquated, we need to get smarter. The web site is also antiquated, need to be using social media to communicate with customers. Need to continue talking with Lampasas.

Tom Kyzar - Nothing

Ken Sinker - Nothing

George McClintock - Nothing

Glen Posey - Concerned about contracts, need to scrutinize every line of the contract and not rely on the legal team.

12. Adjourn

Keith Turner made the motion to adjourn at 7:55 pm. Owen DeWitt seconded the motion. 8 in favor, 0 opposed.

George McClintock, Secretary/Treasurer