

Kempner Water Supply Corporation

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Subject: Minutes of the Board of Director's Meeting on January 25, 2023, are in summary only and, not a transcript of the recorded meeting.

Attendees: Board - Richard (Ric) Dominowski, George McClintock, Wende Hammond, Dennis Kliza, Sam Kier, and John Daugherty. Roger O'Dwyer and Paul Williams were not present with excused absences.
Others Present – Brooke Barron, Auditor from Brockway, Gerbach, Franklin & Niemeier, P.C. and Angie Amstead.
Staff Present – Bruce Sorenson, Stacy Ellis, Brandon Nault, Chris Mick, Michael Lentz, Susan Isenburg and TJ Amstead.

- 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 2021-2022 Tentative & Preliminary Audit performed by Brockway, Gerbach, Franklin & Niemeier, P.C.**

Brooke Barron, Auditor from Brockway, Gerbach, Franklin & Niemeier, P.C. presented the preliminary audit to the Board. She stated that the audit was a clean audit, they did not find any issues. She stated that there were 155 new meters for this past year. Water service revenue was up 11%, field operations costs were at 20%. CTWSC & BRA had an increase of 35% in costs. Utilities had an increase of 28%. Engineering decreased because the costs were capitalized because of projects. Professional fees decreased 46% because of the ruling from the Texas Supreme Court decision to award the lawsuit with Central Texas Water Supply to Kempner Water Supply. Sam Kier made a motion to approve the 2021-2022 Preliminary Audit. John Daugherty seconded the motion. 6 in favor, 0 opposed.

- 5. Discussion and possible action to approve December 2, 2022 Monthly Board of Director's Meeting Minutes.**

George McClintock made a motion to approve to approve the December 2, 2022 Monthly Board of Directors Meeting Minutes. Dennis Kliza seconded the motion. 6 in favor, 0 opposed.

- 6. Discussion and possible action to approve the December 16, 2022, Special Call Board of Director's Meeting Minutes.**

Sam Kier made the motion to approve the December 16, 2022, Special Called Board of Director's Meeting Minutes. John Daugherty seconded the motion. 6 in favor, 0 opposed.

7. Discussion and possible action to approve the November & December 2022 Financial Statements.

Sam Kier made the motion to approve the November & December 2022 Financial Statements. Wende Hammond seconded the motion. 6 in favor, 0 opposed.

8. Discussion and possible action regarding General Manager's Spending Limit.

Sam Kier made the motion to increase the General Manager's Spending Limit for a major expenditure (\$35,000.00 or more in any given month) that was not included in the budget. Single expenditures over \$10,000.00 shall be communicated to the Executive Committee immediately and to the full Board at the next regular scheduled Board Meeting. Wende Hammond seconded the motion. 6 in favor, 0 opposed.

9. Discussion and possible action regarding the Sale of Skyline Mountain CCN to Copperas Cove.

Wende Hammond made the motion to approve the sale of Skyline Mountain CCN to Copperas Cove. Sam Kier seconded the motion. 6 in favor, 0 opposed.

10. Discussion and possible action regarding Committee Meeting Minutes.

a) Vehicles Committee Meeting – January 18, 2023

Ric Dominowski went over the minutes & recommendations made by the committee. The committee recommended to purchase the shredder and lawn mower now and the new truck in the 2024 Budget. Sam Kier made the motion to approve the minutes and the recommendations by the committee. Dennis Kliza seconded the motion. 6 in favor, 0 opposed.

"OLD BUSINESS"

"Discussion and possible action"

a) CTWSC – The Texas Supreme Court made a final decision upholding the opinion/judgement of the lower Courts, in favor of KWSC. CTWSC has paid the bill and interest charges in full, in the amount of \$188,056.40.

b) GIS Mapping for distribution System – LAN Currently working on water model.

11. Manager's Report:

Bruce Sorenson informed the Board that the chipped asphalt has been put down in the shop yard. We are continuing to receive estimates for the generators for the Pump Stations. The smaller Pump Stations will have portable generators and 195 Pump Station will have to have a larger one. The Plant will need 15,000-watt generator. We are working with T-Morales on the generator specifications.

12. Board of Director's Announcements:

Sam Kier – Informed the Board that he will not be here in June and will need to attend virtual in July and August.

George McClintock – Thanked all the staff for all the hard work and that he appreciates all that they do. Told TJ from the Plant that it has never been better.

Wende Hammond – Thanked all the employees and thanked TJ and Brandon for answering all the questions.

13. President's Comments:

Ric Dominowski thanked Stacy for all the work on the Audit.

14. Adjourn

Sam Kier made the motion to adjourn at 7:28 pm. Wende Hammond seconded the motion. 6 in favor, 0 opposed.

George McClintock, Secretary/Treasurer