

Kempner Water Supply Corporation

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Subject: Minutes of the Special Called Workshop of Board of Directors on March 9, 2023, are in summary only and, not a transcript of the recorded meeting.

Attendees: Board - Richard (Ric) Dominowski, Wende Hammond, George McClintock, Dennis Kliza, Paul Williams, Sam Kier and John Daugherty. Roger O'Dwyer had and excused absence.
Staff - Bruce Sorenson, Stacy Ellis, Brandon Nault, TJ Amstead and Susan Isenburg.
Guests - Lee Hamm, Engineer; Pat Linder, Attorney; and George Gondorchin.

1. Called to Order and Establish Quorum – 10:00 am Quorum Present

2. Open Session:

George Gondorchin stated that he trusted the Board to make the right decision for the members of Kempner Water Supply.

3. Discussion regarding System Hydraulic Water Model results.

Lee Hamm stated that the bottom line is that Kempner WSC made a lot of commitments based on the rated capacity of the Plant but, the Plant cannot produce that much. Based on actual production, KWSC has a 3.5 million gallon per day (MGD) shortfall.

Pat Linder informed the Board, that we must stay in compliance with the Contractual Agreement with Salado and Lampasas as well as, Texas Commission of Environmental Quality (TCEQ) and the Public Utility Commission of Texas (PUCT) guidelines. He recommended, that we implement the Drought Contingency Plan at Stage 3 with tiered rates to discourage excessive water use. PUCT requires us to give water to anyone who requests it within a certain time. We cannot currently provide water to new service requests so, we need to have a plan in place for construction to satisfy the State. The Board will need to give Bruce and Ric authorization to set triggers for implementing increased stages of the Drought Contingency Plan. The Board will need to adopt a Resolution outlining the steps that are being taken.

4. Discussion regarding possible capacity and production increase options to support future growth.

Bruce went over our most recent Texas Water Development Board (TWDB) report, which shows we had a 30% increase in sales in one year. This resulted in us to taking more water from CTWSC to meet our system demand.

We are going to implement Stage 3 Drought Restrictions until we can increase capacity to sustainably meet our commitments. There will be major costs associated with the necessary improvements at the Plant. We are looking at different ways to improve capacity. Installing new Strainers that filter the Raw Water to 10 microns will increase capacity by approximately 20 to 30 %. This will need to be done before installing the New Rack and previously approved replacement Filters. We will need to replace the existing Filters on the other two Racks within the next 2 years. The Bell County WCID1 and KWSC engineers are working on an emergency connection with WCID for 2 million gallons per day. The goal is to gravity feed from their Clearwell to ours to minimize the associated pumping and electricity costs.

In the long term, to remain in compliance, we will have to install some sort of pre-treatment to clean up the water before it gets to the Filters. We are looking into a Clarifier, Sedimentation Basin, or Daff units to see which will be the lowest cost, easiest to operate and most effective. Bruce said he would prefer the Sedimentation Basin because, it is the simplest and likely the cheapest, with a 50-year design life.

In the meantime, we need to have a meeting with the developers to discuss the service issues and keep them informed with the status of changes being made.

KWSC also needs a Meter Management Program. We have commercial, residential, industrial, and currently 77 master meters (for multiple connections on a single tap). We have been putting a lot of focus on locations that appear to have multiple connections on one meter and are not paying additional base rates because they have not reported that they are master meters. This is causing KWSC to lose money. We need to consider developing a commercial and industrial rate class that is different/higher than residential usage rates. This would encourage the commercial and industrial users to look into a reuse program and decrease our system demand.

Wende said she thinks we need to bring up “policing the meters” at the Membership Meeting.

5. Adjourn at 11:20 pm.

George McClintock, Secretary/Treasurer