

Kempner Water Supply Corporation

P.O. Box 103

Kempner, TX 76539

Fax (512) 932-2546

(512) 932-3701

(512) 547-9430

Subject: Minutes of the Board of Director's Special Call Budget Workshop Meeting on August 1, 2023 are in summary only and, not a transcript of the recorded meeting.

Attendees: Board – Dennis Kliza, George McClintock, Wende Hammond, Richard (Ric) Dominowski, Paul Williams, John Daugherty. Sam Kier attended by phone. Dan Christy was absent.
**Billy Malady arrived at 5:16 p.m.
Staff – Bruce Sorenson, Stacy Ellis, and Cindy Benson.
Guests – None

- 1. Called to Order – 5:05 PM**
- 2. Open Session – None**
- 3. Discussion and possible action to approve the July 26, 2023, Board of Director's Special Call Budget Workshop Meeting Minutes.**

George McClintock went over the minutes in detail.

George McClintock made the motion to approve the July 26, 2023, Board of Director's Special Call Budget Workshop Meeting Minutes. Ric Dominowski seconded the motion. 7 in favor 0 opposed.

****Billy Malady arrived at 5:16 p.m.****

- 4. Discussion and possible action to approve the 2023-2024 fiscal year Budget.**

George McClintock explained we are meeting again for consideration of the Budget and the Committee recommended Rate increase, as well as consideration of additional Rate increase possibilities made by other Directors. The Directors agreed they were all ok with the Budget as proposed, but some wanted additional Rate possibilities because they were unhappy with the Rates proposed by the Committee.

It was discussed that the proposed Tiered Rates would affect a very small percentage of our members and Tiered Rates are the recommended Rate schedule by government agencies for federal and state funding. After much discussion regarding whether to move forward with Tiered Rates, George McClintock asked for a vote on adopting a Tiered cost per thousand versus a Flat cost per thousand. Sam Kier made the motion to go with Tiered Rates. Paul Williams seconded the motion. 4 in favor, 4 opposed. Motion not carried.

John Daugherty stated a Flat cost of \$7.05 per thousand would cover the expected shortfall in the Budget and Tiered Rates are unfair. He also proposed new connections should have a higher Base Rate than existing members. He was informed implementing a separate Base Rate would have to go to the Tariff Committee for review and discussion.

There was a considerable amount of discussion among the Directors regarding the necessary increase to meet the budgeted expenses for next year. Everyone agreed they would like to see the increase effect the cost per thousand, not the Base Rate. Paul Williams reiterated that being eligible for government funding is important, so he recommends a \$75 Base Rate with small, Tiered Rates of \$7.00 for 0-10,000 gallons, \$7.25 for 10,001-30,000 gallons and \$7.50 for 30,000 gallons and up. Ric Dominowski said he would be willing to entertain a \$75 Base Rate with Tiered Rates of \$7.05 for 0-15,000 gallons, \$7.30 for 15,001-30,000 gallons and \$7.55 for 30,001 gallons and up. This Rate would support the budget shortfall and give a little more in case of an emergency.

Billy Malady made the motion to approve the Budget with the Rates recommended by Ric Dominowski of a \$75 Base Rate and \$7.05 for 0-15,000 gallons, \$7.30 for 15,001-30,000 gallons and \$7.55 for 30,001 gallons and up. Sam Kier seconded the motion. 6 in favor, 2 opposed.

George McClintock made the motion to approve the Investment Policy. Sam Kier seconded the motion. 8 in favor, 0 opposed

5. Adjourn

Ric Dominowski made the motion to adjourn at 6:53 PM. Sam Kier seconded the motion. 8 in favor, 0 opposed.

George McClintock, Secretary/Treasurer