

Kempner Water Supply Corporation

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Subject: Minutes of the Board of director's Meeting on August 23, 2023, are in summary only and, not a transcript of the recorded Meeting.

Attendees: Board - Dennis Kliza, George McClintock, Richard (Ric) Dominowski, Paul Williams, Billy Malady, Wende Hammond and Sam Kier attended by video conference. John Daugherty and Dan Christy were absent.
Staff - Bruce Sorenson, Stacy Ellis, Tj Amstead, Bo Wilson, Chris Mick, Melody Stults, Joanne Gordon and Susan Isenburg
Guests - Pat Lindner. Attorney for Kempner WSC; Brad Buckley, State Representative, Angela Amstead, Norman & Barbara Best, Kelly & Dave Secrest, Michael Kindleburg, Diane Hause, Steve Howard, Bruce Seix, Mark price, Jason & Audrey Chlarson, Tamura Young, Leon Johnson , Charles & Lynda Cass, Jean Dominowski, Judy Harnish, Keith D. Turner, Lori Butler, Rodney Pease, Ladell Henderson, Michelle MacDonald, Janice Kliza, Jesus Barrios, Scot Mullican, Frederick & Tracy Wilson, Marie Park, Michael Reynolds, Richard Norris, Jeremy Knox, Thomas Jaimez, Synetta Peete, Jason & Erica Smith, Robert & Kathy Davis, JoAnn Clarke, Gregory Guinea, Harold Lewis, Larry & Doris Hood, Ricky Locklear,, Sandy Aul, Debra Jantek, Yesta Luna, Damon Hewing, Rick & Rita Schiver, W. R. Witte, Curtis Windham Sr., Jeff Smith, Robert Miller, David & Belinda Paskell, Jonathan & Sophia Gellman, Lori Franz, John Coll, John P Alexander, Bill & Bonnie Metz, Sam Parker, Marion & Christa Lutz, David Hamrick, James Lang, Melissa Primrose, Steve Mitchell, Bill and Greta Peterson, Roy Zacharias, Anthony & Patricia Rosario, Tom Hollaway, Teresa Mitchell, John & Pam Rayson, Brandon Nault, John Hedden, Norman Best, Matthew & Rikki Harper, David Lina, John & Marie Mazzella, Tim & Vickie Wood, John Hornegic, Tremele & Dabran Carthen, Richard & Joan Leary, Ruben & Deborah Samarraipa, Brandon Butts, Larry Snyder, Norman Reynolds, Richard & Ashlyn Norris, Sam Ingram, Janet Adams, Chuck & Kathy Blake, George Gondorchin, Mike & Susan Merrill, Jonathan Bradley, Anita Janke, Rousner Ermonfils, Frank Morgan, Rebecca Cuevas, Patrick & Diane Roser, Leona Cooper, Scott Margin, Kara Bathurst, Jeff & Kimberly Tarrant, Andrew Stifter, Willliam Garnett Sr., William Garnett II, Miller Russell, Alison, Latimer, Jason Stenbak, Tracy & Tammie Davis, Thomas Pera, Theresa Oswalt, Bentura & Antonnette Fernandez and Evelin Tatum.

1. Called to Order and Establish Quorum – 6:09 pm

2. Pledge of Allegiance and Honor to the Texas Flag.

3. Open Session

Pat Lindner informed the audience that the questions that are asked will not be answered during the meeting but will be sent out within 7 days of the meeting.

There were many questions asked during the Open Session which are as follows:

Vesta Lina - Why do we pay a \$75.00 fee with no water and Lampasas and other towns pay less?

David Secrest - Why is there a big difference between Lampasas City Water conservation measures and KWSC Water conservation measures for different stages? What is the dept of the new intake 589' or further? How many members do we have and how many projected members will there be in 5 years? Has anyone investigated a study to determine if there are going to be a lot more people moving into the area?

Norman Best - What is a Co-op and why have I never received a dividend payment from KWSC? What do you do with the \$75.00 members pay every month? Do we have to pay extra for fixing the pipe that broke or do we have to pay extra for digging deeper into Stillhouse Lake? Did not call when water was disconnected and angry about fines.

Dave Paskell - Why the difference in rates and restrictions? Why can't we dig a well in Kempner and feed our people? Who paid the bill for Dallas contractors to repair concrete line? Where is the \$75.00 going, to all your salaries? Where is the maintenance crew? I never see them driving around checking pipes or anything.

Sam Parker - Other than what has already been approved, what is the Board's position for new requests for water for any kind of new development?

Ricky Locklear - What is the Long-Term Contingency Plan for the water issue?

Ricky Harper - Can we file an appeal to the Base Rate? If so, what is that process? Have the grants that are available been applied for and how often are we applying? What is the Board actively doing to be more fiscally responsible? Where can past meeting minutes be found or how can we access information that has been discussed previously? What determines the gallons for each tier? Where can we access the entire financial records for the last year? What information do you have publicly available for resources for your customers when we aren't satisfied with the service we are receiving? What are your responsibilities compared to the River Authority? Why is all this information so difficult for us to find?

Teresa Mitchell - What is the exact number of excessive use as far as the number of gallons to shut off?

Marie Park - The mobile home park has only one meter for the entire park, pays \$75.00 for each home in the park, being charged for water as if there was only one home, installing meters for each home is not an option per Kempner Water, base rate in Moody is \$40.00 and Killeen bill is less than \$100.00, it would be fair that tiered billing matches base rates, Kempner Water double dipping at my expense, rent is not enough to pay water bill, having to take money out of personal money to pay bills for park, gave options.

David Lina - If you have preventative maintenance, why did it take so long to get all this stuff done instead of having on time to come up here in front of you to gripe about all this stuff when you guys aren't doing your job?

Janet Adams - Grants are available to water companies per google search. Have you utilized grants? Have you applied for grants? Do you have a grant writer? Desalination facility? Contingency plan? How are we moving into the future? Why is Georgetown getting water from us? We have livestock and really need the water for ourselves.

Norma Reynolds - What is the Contingency Plan? Global warming will only make the conditions worse. The only response I get is, this is Texas, Texas, Texas. What is the status on the Intake extension? No updates since the 16th of August. Will we go back to Stage 3?

I am tired of hearing we must hope for rain. It is your job to provide water, you work for us. I don't know what you guys are doing. What are you for? Why don't you give your reign over to the state because if you don't have the resources and the motivation to do your job and help us out so we have water, step back and let the state take over because they have more resources and they probably can help us better.

William Garnett - I'm asking each of you to keep your desire alive to force this Board to give 1000 gallons a month minimum every month with your basic service.

Andrew Stifter - Itemized list of expenses? Is everything adding up? All communications we are getting are like a twitter post. It's not professional and borderline insulting.

Kara Bathurst - What depth is the lower intake? What is WCID1 and how much benefit will the connection be versus the connection with Copperas Cove? Can we review the board meeting budgets and where can we do that?

Patrick Roser - Complaining about lack of notice when shutting water off. The water softener went bad. Please answer all questions to everybody.

Synetta Peete - Moved here from Killeen and almost had a heart attack when I received water bills over \$200.00. Do we have to pay fees and fines because Lampasas is asking for it? How are we going to do that? I want some understanding. Make me understand the concept behind all of this. I pay \$200.00 to be part of a club that I don't get any benefit from. Why does everyone have a high-water bill?

Barbara Best - Who determines the wages for the administrative people at the water department? How are the meters read, digitally or physically? When?

Leona Cooper - My appliances look like the container that the gentleman brought. After all this work is done will we have better water than that?

Scot Mullican - I would like to ask the Board to bring in a third party to analyze the possibility of shutting down the plant and diverting the funds to replace aging concrete lines and valves.

Michael Reynolds - Not happy about Stage 4 drought restrictions. You changed the criteria. Put something out and stick to it.

4. Discussion and possible action to approve the July 26, 2023, Monthly Board of Director's Meeting Minutes.

Wende Hammond made the motion to approve the July 26, 2023, Monthly Board of Director's Meeting Minutes. Sam Kier seconded the motion. 7 in favor, 0 opposed.

5. Discussion and possible action to approve the August 1, 2023, Special Call Board of Director's Budget Workshop Meeting Minutes.

George McClintock went over the minutes, the proposed rate increase and made the motion to approve the August 1, 2023, Special Called Board of Director's Budget Workshop Meeting Minutes. Ric Dominowski seconded the motion. 7 in favor, 0 opposed.

6. Discussion and possible action to approve CTWSC request for Capital Contributions Percentage Amendment.

Ric Dominowski made the motion to oppose the CTWSC request for Capital Contributions Percentage Amendment. Wende Hammond seconded the motion. 7 in favor, 0 opposed.

7. Discussion and possible action to approve the July 2023 Financial Statements.

Ric Dominowski made the motion to approve the July 2023 Financial Statements. Sam Kier seconded the motion. 6 in favor, 0 opposed.
Paul Williams stepped out of the meeting during this motion.

8. Discussion and possible action to approve Letters of Intent from Professionals.

Ric Dominowski made the motion to approve the Letters of Intent from Professionals. Billy Malady seconded the motion. 7 in favor, 0 opposed.

"OLD BUSINESS"

- a) **Rack Installation @ WTP** – Pall Corporation paid to date \$1,220,600.42 including Change Order #1 and SD Kallman Engineering paid to date \$164,470.00 of \$180,500.00. LAN Engineering initial invoice \$225.00. Trew Contracting Solutions/ACSTAR paid to date \$86,527.35 of \$410,000.00. Johnson Lab & Supply (Flange Gasket/Valve) \$23,025.27.
- b) **Intake Structure Upgrade @ WTP** – In process of designing Stainless Steel Fittings. LAN Engineering paid to date \$2,760.00. Ferguson (flange Gasket/Valve) \$2,187.70.
- c) **New Strainers @ WTP** -MRB Engineering Group paid to date \$17,132.50. Forsta Filters Initial Deposit paid \$110,617.20 of \$403,752.00.
- d) **WCID1 Water Line Interconnect** – SD Kallman Engineering paid to date \$55,000.00 of \$87,500.00 & LAN Engineering \$185,000.00 Instruments Direct Invoice (Meter) \$6,352.00.

9. Manager's Report:

Burce Sorenson explained the bill for the Divers at the lake will be about \$10,000.00 more than the bid due to, the problems with the wind and the issues at the Intake. Stillhouse Lake level is at 604.7 as of today and we had 8.95 % Water Loss. The total cost to repair the emergency leak at the County Barn was \$137,000.00. This is a cost-share with the City of Lampasas, and they will pay \$62,000.00 of the total.

Bruce introduced Mr. Phillip Givens to the audience. He is a contracted consultant by TCEQ. He helps implement best practices in management and financial management support. He explained

that a Water Supply Corporation (WSC) is a non-profit organization, not a co-op and has to follow all State guidelines. He informed the audience that grants are not available for WSC's if the median income is over \$26,000.00.

10. Board Of Director's Announcements:

Wende Hammonds - Thanked all who stayed for the rest of the meeting. There was a lot of information. Our meetings are always open, and you are welcomed and encouraged to attend to get your knowledge. We are all members trying to make things better.

George McClintock - Everyone is always invited every month. I would like to remind you all that each Director elected is volunteering their time and doing this for free. Every year 3 members come up for election, please consider that. Join the Board if you want to help make a difference. Thank you for coming and we hope you stay involved.

Sam Kier - I appreciate everyone coming. Bruce has a lot of work to do, and the answers will be on the website.

Ric Dominowski - Thanks for coming. Would like to see repeat attendees. Thank you to the Kempner Volunteer Fire Department for allowing us to have the meeting here tonight. Our yards are crunchy, and we feel the pain too. Thank you for your conservation efforts.

Paul Williams - Thank you for coming and look forward to getting the answers.

11. President's Comments:

The Board of Director's are making a lot of financial decisions that no one knows about without unless they attend the meetings. It has not been easy. We applied for a dredging permit one and half years before it was approved. Engineering studies must be done and TCEQ must approve the projects before they can begin. Lately, emergency connects get approved more quickly, but it still takes time. The new General Manager has only been here since December. Most of the Board Members have been on for one year, except a couple, so it is a fairly new Board. Members need to work on getting educated. Thanks to Bruce and TJ for making the extension happen.

12. Adjourn

Paul Williams made the motion to adjourn the meeting at 8:29 pm. Wende Hammond seconded the motion. 7 in favor, 0 opposed.

George McClintock, Secretary/Treasurer