

Kempner Water Supply Corporation

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Subject: Minutes of the Board of Director's Meeting on October 25, 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, Sam Kier, John Daugherty and Dan Christy.
Staff - Bruce Sorenson, Stacy Ellis, Bo Wilson, Chris Mick, Michael Lentz, JoAnne Welden and Susan Isenburg.
Guests - Members Present: Charles & Lynda Cass, Bonnie Coslas, Bobby Caroll (County Commissioner), John Horengic, Warren & Linda Townsend, Norma Reynolds, Randall Hoyer (County Judge).

- 1. Called to Order and Establish Quorum – 6:00 pm**
- 2. Pledge of Allegiance and Honor to the Texas Flag.**
- 3. Open Session**

Bobby Caroll: I am on the agenda down here and I thought that is probably when it might come about. I was kind of going to see what y'all were planning on doing before I said a whole lot. I will tell you; I am here for reimbursement for the County for a building. I know that was no fault of yours because of the water leak. It was just one of those things that happen. My people spent two or three days of time and we were out of business there four or five days and still cleaned up for a long time. It was a loss to the County. It is mainly a loss to the taxpayers. There has been a lot of talk about easements and all kinds of different stuff on that line. This came from the highway department. If you would like to read that paragraph. Gave Dennis a document to read, which stated "It is expressly understood that the State Department of highways and the public transportation does not report hereby to grant any right to claim title for easements in or upon this highway, It is further understood that the state department of highways may require the owner to relocate this line, subject to provisions of governing laws by giving 30 days' notice." Bobby said he is just trying to make a point that he does not think there was ever an easement on this line. Susan has shown me maps and everything. The line also goes across my property the same way and we don't have an easement on our property for that line. I just don't feel like the taxpayers need to get cheated out of their money.

Dennis told Bobby we will take this into consideration for the item on the agenda pertaining to replacement of the building.

Norma Reynolds: I was here at the last meeting, and I had asked about the budget for continuing education that was listed at \$24,800. I asked, what is this for and you told me for licenses, and I said what kind of licenses? Then when you published the answers a week later, you said there are 17 licensed individuals. I would like to know what these licenses are, every single one specifically. I would like to know what the timeframe for continuing education is. Is it one year or is it two years? My other question is, the Stage 4, when will that be taken off? What is the update this because you said that you would revisit that, and we haven't heard anything. My last question would be

what is the maintenance plan for Kempner Water? Right after we had the last big leak, there was another line that broke. I don't know where the money goes, and I really would like to know an itemized copy of the entire budget. Thank you.

John Horengic: Good evening. I had a couple of questions about the quarterly investment budget. What is it due? When it's going to be posted to the website? Is there a goal amount we are trying to get it to? Then I had a question about the new water rates going up 32.9 percent. If you would address that, it would be great. Thank you.

Linda Cass: I think before we have anymore raises of our bills, we need to vote on it. Isn't that what all this is for? For us to vote and come together as a community? I came to a meeting a couple of, ten years ago and they said oh, our top bill is going to be \$55 max. We are never going to go over \$55.00. Well, we are way over \$55.00. It just keeps going up and up and up and I think before we raise it anymore, we need to vote on it. I don't know who votes, but somebody needs to vote besides just you people.

4. Discussion and possible action to approve the September 27, 2023, Monthly Board of Director's Meeting Minutes.

Sam Kier made the motion to approve the September 27, 2023, Monthly Board of Director's Meeting Minutes. Dan Christy seconded the motion. 9 in favor, 0 opposed.

5. Discussion and possible action to approve the September 2023 Financial Statements.

Ric Dominowski made the motion to approve the September 2022 Financial Statements. Sam Kier seconded the motion. 9 in favor, 0 opposed.

6. Discussion and possible action to approve the 2023-2024 Calendar of Events.

Dennis pointed out that the November meeting is the third Wednesday of the month instead of the fourth due to the holiday. Sam Kier made the motion to approve the 2023-2024 Calendar of Events. Dan Christy seconded the motion. 9 in favor, 0 opposed.

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

Sam Kier made the motion to approve the Letters of Intent from Professionals for Melody Stults. Ric Dominowski seconded the motion. 9 in favor, 0 opposed.

8. Discussion and possible action regarding Letter from County Commissioner.

Sam Kier made the motion to approve the payment, not to exceed \$12,020 for replacement of the County's shed that was taken down to repair the concrete line leak, with the following stipulations:

1. The county agrees not to place a structure or any more fill over the pipeline or park any heavy equipment on the easement location of which will be marked by KWSC at its own cost.
2. Since the money is to replace the shed, the money will be paid only to the contractor, when the county awards a contract to add an addition to the existing shed or build a like shed at another location to replace the one that was removed.
3. This will be considered to pay the claim in full for settlement of any damages relating to the repair of the pipeline or the pipeline itself.

5. TxDOT may own the tract and the shed is a fixture, TxDOT may be the entity that is damaged, so Kempner requires the county to provide a letter from TxDOT evidencing its consent to payment of the money to the county and a release of any claim that it may have relating to the repair of the leak.

Billy Malady seconded the motion. 6 in favor, 3 opposed.

9. Discussion and possible action regarding Georgetown Pump Station.

Bruce explained to the Board that contractually KWSC has no capacity in the Georgetown Tank, and we have to pay for all of the regular maintenance. Just last year, we had to cost share with the City of Lampasas and paid almost \$500,000 to rehab the tank. There has been recent discussion with Lampasas about turning the tank over to them. No negotiations have been made at this time; we just want the Board to be aware of the discussions that are taking place.

No action taken. Table item until more information is available.

10. Discussion and possible action to approve Committee Meeting Minutes.

a) Conservation Committee Meeting – September 29, 2023

Ric Dominowski went over the minutes with the Board and explained there are no action recommendations resulting from the Committee Meeting. Ric Dominowski made the motion to approve the September 29, 2023, Conservation Committee Meeting Minutes. Billy Malady seconded the motion. 9 in favor, 0 opposed.

b) Member/Customer Relations Committee Meeting – October 17, 2023

Ric Dominowski went over the minutes and the Committee's recommendations to refund the overpayment of \$3,776.48 and not hold the other member liable since it was a meter installation issue. Sam Kier made the motion to approve the October 17, 2023, Member/Customer Relations Committee Meeting Minutes and recommendations. Paul Williams seconded the motion. 9 in favor, 0 opposed.

c) Elections/Credentials Committee Meeting – October 17, 2023

George McClintock went over the minutes and explained the only recommendation is to change to dates to reflect the calendar for the upcoming elections. George McClintock made the motion to approve the October 17, 2023, Election/Credentials Committee Meeting Minutes, and the Committee recommendation. John Daugherty seconded the motion. 9 in favor, 0 opposed.

"OLD BUSINESS"

a) Rack Installation @ WTP – Pall Corporation paid to date \$1,456,600.42 including Change Order #1 and SD Kallman Engineering paid to date \$174,145.00 of \$180,500.00. LAN Engineering initial invoice \$225.00. Trew Contracting Solutions/ACSTAR paid to date \$218,684.70 of \$410,000.00. Johnson Lab & Supply (Flange Gasket/Valve) \$23,025.27.

b) Intake Structure Upgrade @ WTP – Stainless Steel Fittings have been installed. LAN Engineering paid to date \$3,130.00. Consor Engineering \$130,525.00. Ferguson (flange Gasket/Valve) \$2,187.79. Jergenson Pump \$20,100.00. Jay's Shop \$36,592.58.

c) New Strainers @ WTP -MRB Engineering Group paid to date \$17,632.50.

Forsta Filters paid to date \$374,124.00 of \$403,752.00. Trew Contracting Solutions \$57,000.00.
d) **WCID1 Water Line Interconnect** – SD Kallman Engineering paid to date \$103,500.00. LAN Engineering \$185.00 Instruments Direct Invoice (Meter) \$6,652.00. Trew Contracting Solutions \$674,500.00. Texas ICO (Flow Meter) \$11,250.00. T Morales \$210.00 and Miscellaneous Supplies \$514.60.

11. Manager's Report:

Burce Sorenson stated the water loss in September was 5.21% but it can be expected to be quite a bit higher next month because we have been flushing a lot more to maintain residuals. The lake level today is 601.80. Trew is working on installing rack #1. With half of it complete, the rack is producing twice as much water. The work at the plant looks like it is going to easily double our capacity. On the strainers, we are going to trade in the 10-micron screens that we are going to trade in for 50's. We are working with Forsta on that. We are trying some combinations at no cost to us. We have the 200's in right now because of the turbidity. The new rack installation has been pushed back to the 27th because they are waiting on parts. The emergency connection is almost complete, but it is functional. We are just waiting on the permanent valve. As far as dropping the Stage 4 DCP, we are looking for lake levels to rise. It is not just Kempner, but all of Central Texas. We have been talking to Lampasas about using flush zones to allow watering on certain days to help with the residuals rather than dumping it on the ground. Kempner Tariff has been updated and the new rates will go into effect when the Drought Contingency Plan is lifted. The Long-Range Plan is updated, if anyone wants that, ask me and I will send it to you. The interconnection with Copperas Cove is still in the works.

I had a meeting with Lampasas on the 20th. We are in the process of finalizing an emergency contract with them which will allow us to provide them with water when Central Texas cannot, and Lampasas will pay for the water that comes from our plant. The rate is being set at \$2.00 per thousand, which is the cost at which we are able to buy it from WCID.

They have also agreed to look at a contract amendment to the 2006 contract. This would allow up to 25% of their water in a single month to come from our plant and up to 5% in one year that Lampasas would be willing to pay for. We would then do a true up at the end of the year. This was all brought up in their council meeting as well.

We are going to be looking into a possible chlorine injection site to help maintain the chlorine levels to the ends of our system. This would possibly be best at Ivy Mountain. We have the engineer drawing up some plans for that.

The final thing is that we are looking to have a meeting with the Board and Lampasas City Council after the first of the year to work together and try to be more efficient.

12. Board Of Director's Announcements:

John Daugherty - Nothing
Billy Malady - Nothing
Paul Williams - Nothing
Wende Hammond – Good evening.
George McClintock - Nothing

Ric Dominowski – I have seen a lot of things come together over the last couple of months. My hat's off to Bruce and his crew for all the great work.

Dan Christy – Great job on answering the questions from last month's meeting.

Sam Kier - Ditto

13. President's Comments:

Nothing

14. Adjourn

Sam Kier made the motion to adjourn the meeting at 7:32 pm. Dan Christy seconded the motion. 9 in favor, 0 opposed.

George McClintock, Secretary/Treasurer