

**Kempner Water Supply Corp.**

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**Subject:** Minutes of the Annual General Membership Board of Director's Meeting on March 28, 2024, are in summary only and not a transcript of the recorded meeting.

**Attendees:** Board - Richard (Ric) Dominowski, George McClintock, Dennis Kliza, Sam Kier, Dan Christy, Paul Williams, John Daugherty, and Billy Malady. Wende Hammond was absent.  
Guests – Adam Haberer with BGFN, Kara Bathurst and William Garnet.  
Staff Present - Bruce Sorenson, Stacy Ellis, Susan Isenburg and JoAnne Welden

**1. Call to Order and Establish Quorum – 7:00 pm Quorum Present**

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

**3. Open Session:** William Garnet stated he is concerned about how KWSC is going to deal with the new copper regulations and the fact that there is not enough water. He wishes we could get a display for outside that shows the lake levels. He is worried water is going to start getting stolen. He asked if there is a way for KWSC to keep the cost of water down, so water does not become part of the black market. Again, I am requesting that KWSC give 1000 gallons for free as part of the base rate.

**4. Consideration and possible action to approve the March 23, 2023, Annual General Membership Meeting Minutes.**

Sam Kier made the motion to approve the March 23, 2023, Annual General Membership Meeting Minutes. John Daugherty seconded the motion. 8 in favor, 0 opposed.

**5. Discussion and possible action to approve the 2021-2022 Audit.**

Adam Haberer, Auditor of Brockway, Gersbach, Franklin & Niemeier, PC went over the 2022-2023 Audit with the Board and audience. Adam stated it was a very clean audit, the financials were presented fairly, and Kempner WSC is in good financial standing. There were \$2 million in projects KWSC was able to complete this year and they were done out of capital reserves, without taking on any new debt. Ric Dominowski made a motion to approve the 2022-2023 Audit. Sam Kier seconded the motion. 8 in favor, 0 opposed.

## **6. Attorney's Report:**

Pat Linder, Attorney of Davidson, Troilo, Ream and Garza, thanked the Board, and the Corporation's management for providing the law firm of Davidson Troilo Ream & Garza the opportunity to provide legal services to the Corporation. We continue to assist the Corporation's management in addressing the Corporation's legal and regulatory issues on an "As-requested" basis. We are not aware of any other claims, litigation, or regulatory actions adverse to the Corporation at this time.

## **7. Engineer's Report:**

LAN Engineering: The purpose of this report is to provide a summary overview of the services that LAN has provided to Kempner WSC in the last year.

- 16 Application reviews for water service
- Updated the online ArcGIS maps for the field crews to be updated with additional information, which involved significant coordination with ESRI (makers of ArcGIS) as there was an error on their side causing issues
- Coordination with Salado involving the connection and chlorine issues
- Coordination with Lampasas and potential future cooperation
- Review of leak technologies for pipelines
- Significant discussion about the treatment plant and options for the backwash water.
- Discussion about the Georgetown tank and possibility of isolation
- Long Range Plan review
- Interconnect discussions with Copperas Cove
- Plant Intake revisions
- Attended bi-weekly meetings with Kempner WSC senior staff for discussions and coordination
- CR 224E plan release, meetings, and coordination

S.D. Kallman Engineering: Approximately two years ago, my firm, S.D. Kallman, LP. ~~~ Engineers and Environmental Consultants, was retained by Kempner Water Supply Corporation to assist with questions that arose with the Water Plant Operations. In 2023, our firm was commissioned for the following projects:

- Plans and Specifications with TCEQ approval to add one additional 2.36 MGD Pall Membrane Filtration Rack to provide a total of four racks at the Cliff and Eldine Poe Regional Water Plant. The filtration capacity of the Water Treatment Plant has been increased to 9.44 MGD.
- Evaluating Electricity Demand Charges to assist in sizing an Emergency Generator for the Water Treatment Plant.
- Preparation and submittal of an Interconnection Report to TCEQ for Kempner WSC to purchase potable water from Bell County WC&ID No. 1's new Water Treatment Plant. Plans and Specifications were prepared for the construction of the 24-inch interconnection. This project has since been completed.

- Developed a Site Plan and Design Data for a second Clearwell, two 1500 GPM High Service Pumps and 12-inch water line to be built at Kempner WSC's Water Treatment Plant to serve two existing Salado WSC meters on FM 2484 and Cedar Knob Church Road. These facilities would segregate water sold to Salado WSC from Kempner's 36-inch Transmission Line that delivers water to the Pump Station on Chaparral Road at Highway 95.

Should you have any comments or questions regarding this project or related matters, please do not hesitate to call.

## **8. President's Report:**

Water is a precious commodity, especially in Central Texas, and providing more than 6,000 members with high quality water over 310 square miles is not easy or inexpensive. In addition, we purchase or deliver approximately 7,000,000 gallons of water to our customers and the cities of Salado and Lampasas on a daily basis.

Over the past year we have experienced unprecedented drought which resulted in very low lake levels in Stillhouse Hollow Reservoir. KWSC, the Board of Directors and General Manager deemed it expedient and necessary to implement our Drought Contingency Plan. This plan is necessary for environmental conservation and for protection of public health, safety and welfare. KWSC is currently in Stage 2 Drought and we continue to pray for rain.

KWSC continues to work with future growth in mind and remains dedicated to increasing capabilities that are needed to accommodate projected growth. During the past year, major projects completed include: installing a new emergency generator at the 195 Pump Station, raising our lower steel extension on our lake raw water intake, Pall Corporation microfilter replacement for Racks 1 and 3, WCID1 water line emergency interconnect, 20 new pre-filtration strainers to reduce turbidity, and a new valve and new Rack 4 installation at KWSC Water Treatment Plant. Funding for all high dollar projects was accomplished by careful management and with a focus on getting the best value for budgeted dollars. All these critical projects were accomplished without acquiring new loans.

I must express my sincere gratitude to a very competent Board of Directors, to an extremely knowledgeable General Manager and to our team of highly dedicated office, plant and field professionals who strive daily to provide customers with high quality water and dependable support throughout the year.

## **9. Manager's Report:**

As General Manager I feel that Kempner is moving forward in organization, management, service and education. We have gotten over some hurdles in projects that have stabilized our ability to provide capacity in our system. We are currently working to amend and enforce our contracts to benefit Kempner. We have a solid plan to handle drought situation at hand and in the future. Growth is in our future, and we are working to get that organized so that we can move forward and become more progressive towards meeting new development. Generally, Kempner is in a good position. Specifically, we

need to find sources of revenue to move forward. We can do this through our outdated, nonbeneficial contracts being corrected or dissolved. We can look at better ways to use the resources we have or generate new ones. The drought has enlightened us to many new ideas that may help us in the future. We currently have a good Board of Directors. Knowledgeable and well informed. Our staff continues to get better and better, being more resourceful and managing the system better. I very much appreciate the effort all are putting into Kempner WSC and look forward to another eventful and prosperous year.

#### **10. Announcement of Election Results Report:**

George explained we did not have more applicants than open positions on the Board so there was no election required and explained Resolution #032824A declares the three unopposed candidates: Sam Kier, Kara Bathurst and Stella Clements elected.

#### **11. Adjourn**

George McClintock made the motion to adjourn at 7:39 pm. Ric Dominowski seconded the motion. 8 in favor, 0 opposed, 0 abstained.

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**George McClintock, Secretary/Treasurer**

**\*\*\*Not sure who I should put here for signature since Mr. McClintock is no longer on the Board, but this is before Ric was elected as Secretary... Maybe Dennis?**