

**Kempner Water Supply Corporation**

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**Subject:** Minutes of the Board of Director's Meeting on June 26, 2024, are in summary only and, not a transcript of the recorded Meeting.

**Attendees:** Board - Dennis Kliza, Richard (Ric) Dominowski, Sam Kier, John Daugherty, Stella Clements, Kara Bathurst, Billy Malady, and Paul Williams. Dan Christy attended via telephone conference.  
Staff - Bruce Sorenson, Stacy Ellis, TJ Amstead, Michael Lentz, JoAnne Welden, Bo Wilson and Susan Isenburg.  
Guests - John Neufeld, Janet Clayton, Angie Amstead, Kenneth and Amanda Spoon, Belinda Paskell, Melissa and Paul McKinney, Octavio Diaz, Tyson Enterlines, Sharon and Austin Carnell, Jerry and Brenda Seward, Deborah Sciba, Wendy Daugherty, Amanda Roberts, Dora Murillo, Sara Murillo, Patricia McKee, Brandon Nault, Matthew Nesby, Chip Howell (TX Senate), James Conley, Norma and Michael Reynolds, John Horengic, Catherine Lankford, Wesley Roper, and Lisa and Michael Robison

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

**MELISSA MCKINNEY:** I noticed in one of the emails, the reason for the discoloration and issues with the water is because of the flooding. I understand flooding causes issues, but why is it other people, that also get water from CTWSC, and the same lakes are not having the same problems. I've talked to people from other areas that pull from the same lake, and they do not have any of the issues that we do and I'm just curious as to why that is. Why is it only Kempner this happens to? Thank you

**KENNETH SPOON:** Do you have a 5–15-year plan for renovation or modernization of the Kempner Water facility or to build an additional facility to keep up with the ongoing demands thank you.

**OCTAVIO GAITAN-DIAZ:** What is a non-profit? Profit companies seek to provide a product or service to consumers and make a profit by doing so. A nonprofit organization/corporation's purpose is to provide a service or benefit to the community with no intention of earning a profit. Instead, they're fully focused on improving the social aspect of their community and not on making money. How does a non-profit get funding? Nonprofits, by contrast, seek donations rather than investments. Any individual, organization or institution that gives money to a nonprofit will not receive a share of profits. It's a pure donation rather than an investment. Are we still a nonprofit corporation? Is KWSC tax exempt from state or federal?

"Members of a nonprofit corporation are typically not owners and are not issued stock." From Texas Secretary of State website BUT In KWSC Tariff, Section E, Rules and Regulations, #9 Membership, B: The membership shall entitle the member to (1) connection to the corporation's water utility service and (1) share of corporation stock. What corporation stock? Who governs this nonprofit corporation? Members, the board of directors, or both? How are we getting funding? As of 2021 & 2022 Audit: 7 Loans Total \$36,584,662. Monthly payments: \$443,350. Maturing dates Sept. 2024-Oct. 2056. Are there more loans taken out for

2023 & 2024? Where is all this money going? Where are the financials for 2023? Why aren't the financials posted on the website from past years? Why Isn't KWSC asking for help? Only question as a caveman: how come I can't shower and drink my water.

**PAUL MCKINNEY:** We all pay \$75.00 a month just to use your meter and then on top of that we have to pay for water. Gentleman you guys over here that work in the field, outstanding work. With the pipes and stuff that you guys have out there, I understand why you guys are working so hard. Let's talk about the piping system here. How long has Kempner water been here? How long have we known about the pipe structure that we have here? Why hasn't KWSC gone into some sort of discussion about replacing some pipes. Let's invest in some new infrastructure so we don't have to have every single week two or three times that we have a timelapse of water. I understand when a backhoe hits a line that's unavoidable, but the pipes that we have are not. That needs to change. Where's our money going? I know there's been some lawsuits and all. We don't want that. We want answers, and we want some stuff that needs to happen now. This boil water notice we have going on right now, why did that not happen the first-time you guys said something to all of us here? Why didn't we need a boil notice then when we were changing treatment? Why did TCEQ have to get involved for us to get a boil water notice?

**JERRY SEWARD:** Who here that does not live on CR 3430 lost their water yesterday? So, I presume if you didn't live on 3430 you got water yesterday. I want to know why you turned our water off and allowed that tank to be drained for the City of Lampasas? We were without water all day yesterday! Why?

Bruce read the following statement to increase awareness and understanding among the members present: We started a Free Burn on June 14<sup>th</sup> that was supposed to run through July 14<sup>th</sup> but we had to stop it early due to subpar results. On Monday, June 17<sup>th</sup>, we had very little residual coming from CTWSC. Our plant was using 600-700 lbs. of chlorine a day (equivalent to 17mg/L) to get the water to a 3.5 meaning the demand in the lake is 13.5 mg/L. This is a tremendous demand from the raw water into the plant. We were consistently testing the water from our plant and CTWSC and only once did we see a .33PPM total and .11PPM Free Chlorine, those numbers essentially mean "no chlorine". I was fervently insisting CTWSC add more chlorine to their water, or we would be forced to cut them off. Contractually they have to provide at least 0.5 mg/L chlorine residual. After no response and no change in residuals, I made the decision to stop delivery from CTSWC on Friday at 2:30 p.m. At that time, the residual at the 195-pump station was .44 mg/L total. By the next morning, we were getting 1.8 mg/L and by 2:00 P.M. it was nearly 2.5mg/L. These results showed their water was taking a high demand from our water when blended and proved my decision to stop taking water for the time being was correct. I was faced with the difficult decision of choosing volume and capacity or safety and compliance. I chose safety, and I stand by that decision. Every decision comes with consequences and even though we asked for voluntary conservation, our tanks and our plant couldn't keep up with the demand of our water system and Lampasas. Pressures dropped and per state regulations, triggered a boil notice. As of yesterday morning, we were able to start pulling water from our emergency interconnect with WCID1 and our tanks and system are recovering as we speak. We will be under Boil Notice until the system pressures up completely, flushing is done, and sample results are in.

## NEW BUSINESS

### **4. Discussion and possible action to approve May 22, 2024, Monthly Board of Director's Meeting Minutes.**

Sam Kier made a motion to approve May 22, 2024, Monthly Board of Director's Meeting Minutes. Paul Williams seconded the motion. 9 in favor, 0 opposed.

### **5. Discussion and possible action to approve May 2024 Financial Statements.**

Sam Kier made a motion to approve May 2024 Financial Statements. Kara Bathurst seconded the motion. 9 in favor, 0 opposed.

### **6. Discussion and possible action regarding Clearing of Forestry on Concrete Line Easement across Ft Hood.**

Paul Williams made a motion to approve clearing of the easement. Sam Kier seconded the motion. 9 in favor, 0 opposed.

### **7. Discussion and possible action to approve Committee Meeting Minutes.**

#### **a) Vehicle Committee Meeting – June 20, 2024**

Paul went over the Policy Committee minutes and recommendations with the Board. Billy Malady made the motion to approve the minutes and recommendations. Sam Kier seconded the motion. 8 in favor, 0 opposed, Kara Bathurst abstained.

### **8. Discussion and possible action regarding Old Business.**

**a) Rack Installation @ WTP** – Rack has officially received inspection and approval by TCEQ.

**b) WCID1 Water Line Interconnect** – Meter installation is pending.

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

Bruce explained he expects the Chlorine Injection Site to be complete next month and then we only have to wait for TCEQ's blessing. The generator will be here for the plant within the next two weeks. CTWSC still has a floating barge and one pump in the lake. The most flow we have received from them in the last 3 months at time was 2500gpm or equivalent to 3.6MGD but this is not relevant because the real number is about 2.2 MGD which the most we have received from them in a day. Lampasas uses now about 2.3MGD so it just barely supplies Lampasas with no restrictions from us other than when the tank is full and shuts off the flow. Salado contract is being worked on. We need to come up with a contract that works for both of us. We have discovered during this burn how relevant getting Salado customers off our main transmission is. We could not leave the plant with residuals higher than 4.0 mg/L chlorine by TCEQ rules so that kept us from getting higher levels of chlorine into the system. The water from Central Texas was also back flowing in the main and killing the residual. Getting the new rack approved was quite an undertaking. The CT Study had to be completed before the final inspection could be completed. This took 3 months. Then the TCEQ inspection was completed, and we had to jump through hoops to get that approved. We had to modify our reporting, change our procedures, add additional equipment, reduced pressure zones (RPZ's) and do more daily testing to satisfy

the inspector. Just want all to know that TJ and staff have been diligently working to get this done. The water plant now has 4 racks with the approved new rack. The 3<sup>rd</sup> rack membranes are not efficient anymore and need to be replaced. 3 out of 4 racks realistically gives us a capacity of 6-7 MGD. We really need the 4 racks to meet the 8MGD capacity demand. Central Texas Water Supply Corp. (CTWSC) is not reliable, and they have proved that time and time again. Although we have the emergency water supply from WCID1 at this time during the burn we cannot use their water. Their plant is also not reliable as they are down for repairs, a lot. Dennis and I have agreed that we really need to go ahead and purchase the new membranes now and not wait until next year's budget.

#### **10. Board of Directors' Announcements:**

Kara Bathurst – Thank you all for coming and staying throughout the duration of the meeting. The drought started me here and I kept coming. I was concerned about the quality, so I applied to be on the Board.

Stella Clements – I am a newbie. This is only my third meeting, and I am still learning a lot. I joined the Board to see how I could help save money and make things better.

Ric Dominowski – Nothing.

Dan Christy – Nothing.

Paul Williams – Thank you all for coming and especially those of you who stayed to hear what is going on. A huge thank you to the staff for their hard work.

John Daugherty – Nothing.

Sam Kier – Thank you all for coming. Bruce is under a lot of pressure. He and his team are doing a fantastic job. The current Board members are all new, been here for two years or less. I do this because it is important. You just have to think about what these people have done for us.

Billy Malady – I would like to thank everyone for coming and great explanation of recent events, Dennis.

#### **11. President's Comments:**

I am glad that all of you showed up. We all take this personally. People are here after hours and there is a lot done behind the scenes. Some of them do not get paid for overtime because they are salaried/exempt employees, but they are still here working after the doors are locked. We understand. Sometimes, some people may be gruff but when people are paid to do a job, they take it personally.

#### **12. Adjourn:**

Sam Kier made the motion to adjourn at 8:01 pm. Paul Williams seconded the motion. 9 in favor, 0 opposed.

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**Richard Dominowski, Secretary/Treasurer**