

Kempner Water Supply Corporation

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Subject: Minutes of the Board of Director's Meeting on July 24, 2024, are in summary only and, not a transcript of the recorded Meeting.

Attendees: Board - Dennis Kliza, Richard (Ric) Dominowski, Dan Christy, John Daugherty, Stella Clements, Billy Malady, and Paul Williams. Sam Kier attended via telephone conference. Kara Bathurst was absent.
Staff - Bruce Sorenson, Stacy Ellis, TJ Amstead, Michael Lentz, Bo Wilson, JoAnne Welden and Susan Isenburg.
Guests - Octavio Gaitan-Diaz (KREN TV), Chip Howell (TX Senate), Dale Treadway (Copperas Cove Council), Allison Hill (KXXV), and Alfred Aguilar.

1. Called to Order and Establish Quorum – 6:00 pm

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

3. Open Session:

OCTAVIO GAITAN-DIAZ: New Customer Portal: What is the cost for the development and workings? Once it goes live on September 1st, how much is it going to cost KWSC? How much do you see the bump in our fees (service fee)?

Water Conservation: Why is the board waiting till water levels are low to start putting in place a stage.

Board Members & Staff: According to: Water Code, Title 4. General Law Districts, Chapter 67. Nonprofit Water Supply or Sewer Service Corporation, Subchapter A. General Provision, Sec. 67.006. Officers, (A) The board shall elect a president, a vice president, and a secretary-treasurer following the issuance of a charter and after each annual meeting of the membership or shareholders(C) The salary of an officer of the corporation other than secretary-treasurer or manager employed under Section 67.012 may not exceed \$5,000 a year. The board shall set the secretary-treasurer's salary at an amount commensurate with the secretary-treasurer's duties. Which officer/s are getting paid? How much? Nonprofits are required to submit their financial statements and information- including the salaries of directors, officers, and employees-to the IRS. Nonprofit corporations are required to make their financial statements available to the public. Nonprofits file with the IRS form 990 or 990-EZ are required to report compensation. Where is the 990 or 990-EZ for Kempner Water Supply Nonprofit Corporation?

June Q&A: I asked the question: Where are the financials for 2023?

A: The 2023 audited financial statements are located on KWSC's website under Customer Service/KWSC Policies. (www.kempnerwsc.com). The 2023 audit wasn't on the website when these questions were brought up, only the 2022 audit. Please don't say something is there, when it wasn't. It would be nice to see some accountability. We just want transparency.

NEW BUSINESS

4. Discussion and possible action to approve June 26, 2024, Monthly Board of Director's Meeting Minutes.

Billy Malady made a motion to approve June 26, 2024, Monthly Board of Director's Meeting Minutes. Dan Christy seconded the motion. 8 in favor, 0 opposed.

5. Discussion and possible action to approve June 2024 Financial Statements.

Paul Williams made a motion to approve June 2024 Financial Statements. John Daugherty seconded the motion. 8 in favor, 0 opposed.

6. Discussion and possible action to approve July 17, 2024, Special Board of Director's Meeting Minutes.

Billy Malady made a motion to approve July 17, 2024, Special Board of Director's Meeting Minutes. Dan Christy seconded the motion. 8 in favor, 0 opposed.

7. Discussion and possible action regarding Old Business.

No updates, no action taken.

8. Manager's Report:

Bruce explained the cost to KWSC to provide Lampasas water this fiscal year has been \$758,695.26. The lake level is still two feet above the conservation pool. Our water loss this month was 15.39% and target rate is 8%-10%. Jo explained the new portal will allow KWSC to send electronic bills and allow the members to make payments online, view usage, etc. Regarding the plant report, the new filters have been ordered and should arrive in the next couple of weeks. The generator has shipped and should arrive Friday, July 28, 2024. The decant pump has been sent to Jergenson for repairs. The Corps has opened the lake back up, so we have to get the buoys set right away to keep the boats away from our intake. Bruce stated CTWSC has their deep pump back online, but they are struggling with chlorine demand. Regarding distribution, the Cla-Valve for 190 has arrived and we have it scheduled for repair on 8/10/24. We are taking water from WCID1 under an approved 90-day extension, which is good until 10/22/24. We met with the city of Copperas Cove this week to discuss the possibility of getting water from them out of their reserve at the WCID1 plant.

9. Executive Session recommended prior to discussion and possible action in Open Session, pursuant to section 551.074, deliberation of personnel matters, regarding GM Evaluation.

Left Open Session @ 6:45 PM

Entered Executive Session @ 6:46 PM

Left Executive Session @ 7:14 PM

Resumed Open Session @ 7:15 PM

No action was taken during the Executive Session.

Ric Dominowski made the motion based on accomplishments over the last year, to recommend a 15% salary increase for the General Manager. Billy Malady seconded the motion. 8 in favor, 0 opposed.

10. Board of Directors' Announcements:

Stella Clements – Nothing.

Ric Dominowski – Thank you Bruce for doing such a great job.

Dan Christy – I have been looking into how to get more money. We need a clarifier and all this other stuff. I think we should do a debt surcharge in addition to the standard water rates. This would just be temporary to get rid of the \$33 million debt the corporation owes. I think this would be a good way to raise rates without too much ruckus. I would like the Board to discuss this at next month's meeting.

Paul Williams – Thank you Bruce, Stacy and Susan for your hard work.

John Daugherty – Nothing.

Sam Kier – Nothing

Billy Malady – Nothing.

11. President's Comments:

Nothing.

12. Adjourn:

Billy Malady made the motion to adjourn at 7:35 pm. Ric Dominowski seconded the motion. 8 in favor, 0 opposed.

Richard Dominowski, Secretary/Treasurer