

Kempner Water Supply Corporation

P.O. Box 103

Kempner, TX 76539

(512)932-3701

Fax (512)932-2546

(254)547-9430

Subject: Minutes of the Board of Director's Meeting on August 28, 2024, are in summary only and, not a transcript of the recorded Meeting.

Attendees: Board - Dennis Kliza, Richard (Ric) Dominowski, John Daugherty, Stella Clements, Billy Malady, Kara Bathurst, and Paul Williams. Sam Kier and Dan Christy attended via telephone conference.

Staff - Bruce Sorenson, Stacy Ellis, Chris Mick, Michael Lentz, Bo Wilson, Janet Clayton, JoAnne Welden and Susan Isenburg.

Guests – John Wilkerson, Jodi Rumph, Linda & Warrey Townsend, Robert & Doris Rivas, Michaela & Thomas Jaimez, Elliott, Dave Reed, Daniel & Veronika Joust, Tracey Pace, U. Pittaw, Chuck & Kathy Blake, Richard M, Jean Dominowski, Sharon E, Michael & Candice Digandio, Britter Stevens, Eric Dominowski, Belinda Paskell, C Maytkka, Suzette Whitton, Keith Turner, Peggy, David, Teresa Collins, D Caldwell, Eve Tatom, Chris Smith, Diane Anderson, Freda Gilbert, Wendy & Jon DeGraff, Alfredo Aguilar, Deborah Scibor, Tamura Young, Kathy & Robert Davis, Antonne & D Hernandez, Kevin Bullard, Amanda Roberts, Kelsey Speer, Ceila Sellers, Marcy & Ryan Diabattiste, Kimberly Crain, James Loch, Carolyn Henry, Bob Martinez, Kasey R, Paul, Matt J, Toni Andrews, Kerrie & Kelvin McCall, Dale Treadway, Wayland Allen, J Battios, Sue Mayfield-McClosky, Jimmy McClosky, and Audrey Freeman.

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

Peggy Hadder: I know we have been having an issue with the water and water supply. I know we missed a grant deadline. We have been having issues for years, so I am curious, is this a new problem that we are having? We are just struggling, trying to find a solution. I know we've incorporated; this is a twofold question, a new product into the system but we're looking at flushing the lines from the 26th to Oct the 26th. That's an excessive time span. What are we trying to do to get drinkable water for livestock and people now?

Belinda Paskell: I'm a visiting nurse and I'd like to ask what are we going to do with these senior citizens that I take care of from day to day and are ending up with increased UTI'S, increased rashes on their skin, or H-pylori from the bacteria that is in our water? They can't afford to go out and buy water like some of us can and they're on a fixed income and a lot of these senior citizens are going in the hospital, I'm having to send them out by ambulance to the hospital with dehydration because they won't drink water, because they can't afford to buy it. My question to you guys is, what are you going to do about that for the senior citizens that can't afford it?

John Wilkerson: Good afternoon, Mr. President and Board Members, I come here tonight to advocate on behalf of my constituents. As you know I'm the mayor of the City of Kempner. I set a public information and sharing hearing on the water issues last night at a regular meeting and sent an invite to your General Manager and I received a response from him stating that he would not be in attendance to the meeting and the reason he gave was very direct. And I

quote, "I do not feel that this would serve any purpose as we are not affiliated with the city of Kempner as usual, always willing to work with the City of Kempner." I want to just take a quick second, Merriam Webster defines affiliation as a state of relation or being closely associated or affiliated with a person, group, or party. The City of Kempner has nearly 1200 inhabitants and visitors that come to our businesses. My nearly 1200 constituents are also your nearly 1200 customers. So, we are affiliated and make no mistake about it. This board, Kempner Water Supply, and the City of Kempner are affiliated through the people we both serve. When water issues cause my local businesses to have to close, they lose money, when they lose money, they fail to thrive. When you experienced a large water break last year that shut down your entire system, it was the city that stepped up, coordinated water distribution points and assisted with everything that we could on that. The purpose of visiting this issue last night was to identify problems and work towards finding solutions. It was not to blame, it was not to sit there and allow anybody to yell and cuss at you, that's not how I ran my show down there and I believe when you give respect you get respect in return. And that's why out of everybody that was there, they were passionate. The employee that you sent down there to take notes last night, they'll tell you everybody was passionate, but they were also very respectful. One guy just couldn't get it through his head that we are completely different as far as who governs us, but he was about the only one that kind of really went off a little bit. One of the things that was in the email was I can come down to your office and speak with your GM and your president, here's the problem I have with that, the city is willing to do anything they can, we are still willing to do that, the problem I have is, if I bring my council (and I run a clean ship all my council knows all the information), if I bring my council down to your office, I believe your lawyer will confirm this, I am violating open meetings act because now we have a quorum and I don't agree with those things. So that's why we can't do that, that's why we can't go that route on that. I understand it's not comfortable taking criticism, trust me, I take it all the time as an elected official I take it all the time. And the two main issues that I always take it on are the water and the internet. I contributed to helping get some internet issues fixed and now I'm trying to help with this. So, I want the board to know a few things here tonight. First and foremost, as the mayor I do not feel it is in the best interest of my taxpayers to completely foot the bill to provide you with a police presence. Going forward if you want police presence at your meetings, you're going to have to hire police officers in an off-duty capacity just like any other entity does. Second thing, the employee that you had at the meeting last night taking notes should show you that although your general manager did not believe that him being there would serve any purpose I believe, and I think everybody there would tell you it served a very valuable service to everyone informed and everybody involved. And lastly, despite all this, the city is still willing to work with you if there's something we can do. If there's a grant opportunity that maybe the city needs to apply for and put the water board, I don't know if it can work that way. But if it can, the city is still willing to step up to the plate and do everything we can to help alleviate this problem because we are all in it together.

Nicole Pittaro: Good evening y'all. I can look around this room and I know the majority of the people that attended the meeting last night, myself, sadly and I apologize, is Mr. Sorenson here? Can you tell me what your title and your position with Kempner Water is sir? (Dennis answers) It's nice to meet you. Can you tell me what number 512-932-3701 is? No? Well, it's nice to meet you. My name is Nicole Pittaro and I'm standing here in front of you as a homeowner, a concerned citizen, a mother of a 10-year-old son. I didn't bring him here tonight. I did bring him last night, I did not know how tonight was going to go, I'll be very honest. My son brushes his teeth with a bottle of water, that's not how life should be for a 10-year-old. I take care of an elderly woman who now today has not showered in her home she's lived in this community 70+ years, she hasn't showered in her home in 15 days. Last night at the meeting Mr. Wilkerson, Rep. Spiller, and Rep. Buck, in terms of my son and I'm quoting this from a 10-year-old "his head hurt so bad from the information that he learned" and he comprehends really well he's

extremely smart. So, my questions to you, can you clarify where your 30-million-dollar debt is? Can you clarify that lack of effort for you applying for grants? I do hire for a living if you need a grant writer, I definitely could hire a grant writer for you. I have done my due diligence, I filed, I'm one of the ones that filed, so I know this isn't a new issue for y'all. It's kind of gross what's been in our water what's affected many of these people you're going to hear stories on people being sick. So, it's not a new issue. The definition of a Co-op is a partnership, working together. The number of the success for a partnership is communication. On August 20th you Mr. Sorenson, you put that phone number to contact you. I contacted Mr. Spiller; I wrote a letter to our community to post that they could get in contact with our representative. Mr. Spillers' office came to our meeting last night and he contacted the majority of us. You didn't know what that phone number was, you have awesome women that work in your office and they take the heat of us calling you. That phone number you posted on August 20th, (Dennis argues, giving his phone number, they go back and forth) I'll show you the posting, so maybe somebody posted it wrong, but I will show you sir it's been focused on Facebook to contact you, and I will tell you how many times because the women in your office are very kind and I'll show you after the meeting. (Kara and Nicole go back and forth about the phone number) I apologize, I'm just telling you, so, it's probably very busy. But the biggest thing is communication, and we all have had no communication in the past 14 days in regard to the boil notice and that's one of the biggest issues that we're all having is communication. And so, really that is where the partnership comes from were working together, we need grant writers, and that's how we can be successful. We're not trying to be here to badger y'all we want to work together we know there's an issue. We know it's long term, we want to be here, because at this point, everybody wants to quit the coop and so we want to come together and that's it.

Jodi Rumph: I'm a newer member, I started a petition to change some of the by-laws or to get you into a contract and a partnership with a city or municipal organization to make you eligible for all the grant money, for the 0% loans, for the *couldn't understand what was said* loans. And there is a lot of money on the table that has already been allocated. I know we missed the grant funding for some of these things for this year, but the cool thing about grants is they come around next year too. It is a great opportunity here for us to be eligible for those grants, for us to get our name on those grants, if you do a partnership let's say with the City of Kempner, under Ch 67.010 you can be eligible for every grant there is. And we're talking about the Texas Water Development Bond, drinking water fund, clear water fund, economically distressed and SWIFT fund. SWIFT fund is chaired by David Spiller who is our representative. So, we are actually in a very good place to capture some of this money. And whatever we can do to help you make those changes, to make that happen as a community, we are here to make that happen. My only other request is for an immediate supply of drinking water for our elderly and disabled. I have a gentleman that me and my husband and a couple neighbors, we've been assisting they cannot boil the water, they're not physically strong enough. They do not have the income to go get the water and unfortunately, he burned himself trying to boil the water. There is a humanitarian need for clean drinking water that is not being met. I am more than capable of going down and buying a case of water and bringing it home. I'm fine, but eventually I'm going to find too many neighbors and I won't be able to buy them enough water, so if you guys could find a way, especially for the ones on fixed incomes who are not physically capable of boiling their own water so that they can have enough water to drink. Thank you.

Elliott Whilta: Good evening, I propose that the board members recuse themselves and their positions at this time Kempner Water Supply and KWSC be taken over by a state agency or another agency that's capable of doing this or restructure to obtain more oversight and federal grants. In the meantime, members of the Corporation should have a vote that's us to control our, we need a vote for the budget approvals of what's going on and a minimum of 25% of the members in that vote. Also training for all employees from the top all the way down to the bottom and also a few recommendations, things we should vote on if possible is loans given to

people here that are not employees for hospital bills or ways to get drinking water at a 1% rate. What is being done to execute the revenue at the end of the fiscal year that you guys have reported that has not come back to us that you have reported online. Thank you.

James Schkade: Hello, my name is James Schkade. I addressed the board and a lot of these people that were there yesterday. I'm not a member of the community but I do feel for them actually having some issues down the road at Buchanan dam with water quality and Corix so I understand what they're going through. Um I'm here today to offer some relief but given that were not answering questions, there are some questions I'd like to ask and for you to consider as you move forward. One of them is knowing all the constituents that are coming from your source water I'm sure its manganese, nitrates, and other type of situations and constituents. I've also heard that you're looking for a 20–30-million-dollar investment and I was wondering what technologies you're using. I'm sure it's a typical r/o system to upgrade but that brings another issue. Maybe in exchange. But one thing I wanted to know if y'all are considering for the community is about the EPA regulations that are coming with PFAS(?) that were going to have to start recording and submitting to EPA this year and then if you have it which most people do, how is your system going to treat that. What I'm really here to do is offer some "help", I do work for a water treatment company it's electrolysis, it's chemical free, it does not use any chemicals. We use electricity, low voltage high amps, it's a totally enclosed system that offers no wastewater. So, what we do is pretreat, we take your source water, we can pretreat it and then let it run through your system like it normally would. Now what we are offering is to come and pick up your source water, we will take it back to our location, run it and then bring you back the analysis. We would do a full CWA (complete water analysis) on the source water and then after it we would also send it to a third party to validate. This would cost you nothing. In addition, if it looked positive, we would come in and set up and we would run a 7-day free trial to run the pretreat. What will this do for you? Not only will it take all the organics out of your source water, it'll also probably help with the ph. that you guys are having issues with and you'll have to use a lot less chlorine. To try to get that ph. where needs to be and flush your system now somebody mentioned last night, what's in it for me? I can tell you that this is not for free, but we are in this business to help communities. Uh right now we are helping Midland, we are treating nearly 20 million gallons per day at their arsenic wells because they had a main line break on their other wells that they were using to supply the community. If we weren't there, they would have been short of water just like the community is here. I can tell you we did that for free because we didn't have a contract with them at the time and the only people that objected to that contract was one individual who worked for a chemical company themselves and it want in their self-interest and didn't recuse themselves from the meeting. All he did was try to derail it twice actually but it's running great, everybody's happy, you can go in and google it its true clear water solutions and there are a couple of articles on there. Not only that but our system has also been approved running Buck's County where there's a lot of PFAS, we have a contract there so we can treat your PFAS as well as the same time as we could other constituents coming through. You don't have to take me up on the offer, that's all it is an offer but considering that it's no cost to KWS I think it's something you can consider. Lastly, listening to these is I'm curious what the advantage is hearing other people talk about not having access to all the grants what is the advantage of KWS remaining a non-profit corporation vs doing something else? That's just curiosity for me because it seems like its limiting you on some of the grants and things you can get from outside being your structure.

John Hadder: Good evening, everyone, my name is John Hadder, I have lived in this community now for about 12 years. So, in the past month and a half or so I've noticed that your water that we're drinking is not healthy for us by any means. Just out of curiosity are you all on KWS and are you all drinking it? Or do you have additional filters in your home? So, one of the beautiful things about education is that I got to learn about what it is to be a social worker and one of the things that comes up frequently is according to the state health and safety code Ch 341 is that

everyone is entitled to clean water it's not a question everybody is entitled to food, water, and shelter and by lacking that that would automatically shut down an environment and its considered unhealthy. One of the other questions I have is about a co-op vs a community run organization. Last I checked a co-op did not need an attorney or a lawyer to protect the board members against the people. One of the things that would be incredibly helpful is transparency with the finances. That's it.

Patt Caldwell: Good evening, everyone, can you hear me? I am 72 years old. I've had Lake Michigan water, I've had Kansas City water, I've had two private wells, and I've had water in another little town Wonder Lake, Illinois and I've never had to boil my water. Now as a special education teacher and middle school teacher. I will tell you I taught the handicapped and I taught the gifted and to have to have my 2-year-old granddaughter and my 5-year-old say to me don't touch the water grandma its bad and I put dixie cups on it, so they don't touch it. Because I don't want them drinking it. I can't fill their swimming pool, it's a little swimming pool so they can splash in it, they can't even use the water table because it's not safe. This is not how Americans should live we are not a 3rd world country, now that being said you have a tough job I know because I taught and that's not an easy job either. But it was my responsibility to think outside of the box and I think we had some good suggestions here and I know your job isn't easy, mine is not either. I appreciate what you're doing, but you need to think outside the box. I have all the alerts that you gave those are great I appreciate it I read those, but it doesn't help me get good water. I bought 12 gallons of water in Leander today because I went to dog training because there's very little gallons of water here in the stores. You must go out of the area to get water, and I don't want to buy all those little bottles because I'm also concerned about the environment and there's the plastic even if you recycle, I prefer getting water out of my tap we talked about having a system in the house doesn't take care of the pathogens. It'll take care of the crud, and I have tried boiling the water it looks disgusting it just doesn't look good. What will I use it for I'll boil it and then I'll rinse something with it. My joy yesterday at dog training class was going into the bathroom just to wash my hands with water. (Dennis interjects with a time stamp) Two quick questions, one of them is that I read your report on our water safety, thank you for that that's another wonderful thing to provide but it says all water is within the maximum contaminant level on all potentially dangerous and harmful contaminants shouldn't it be at the minimum? And you know we have to pay our bills, you have to pay yours, but would you pay for something that you're not getting services on? We are.

Bob and Kathy Davis: As I understand it from the Kempner council meeting last night, Rep. Spiller suggested the conversion to a special utility district, is that feasible, and if it is what are the pros and cons for it? Also, my husband is retired from the military, I spent 8 years in the military, we've lived all over the world, and this is the worst water we've ever had. Weve never had to boil water anywhere else, and we've been, he was in Vietnam, did you have to boil your water there? Bob: no. But it's time for the board and the manager to resign.

Dave Reed: Good evening, thank you for allowing us to speak. I'm coming here tonight because I'm frustrated like many people are. If we go across the street to Kempner brick oven, they bring it to us and say it's unsafe to eat we wouldn't pay for it. We must do it with our water. I understand last year was an extreme drought. I understand that this year we had a 100-year flood, there's a lot of things that went into make this particular time bad. That doesn't mean that it wipes away all the previous times that we've had bad water, this is an ongoing problem. The major frustration is the complete lack of communication from the board. I think that by your lack of communication and your failure to show up last night at the meeting to communicate with people you've created many opponents in this room. I thank the mayor for having that and I think it was an act of cowardice on your part for not showing up for the meeting. I understand, like I said this is an ongoing problem, what have you done to reach out for federal or state help, it's there. That for long term I realize that's not going to be a short-term fix, but we have to have a long-term solution. We have to have somebody looking at what

we can do to prevent this from ever happening in the future. On top of that, we have to have somebody who's fighting fires right now, what are we doing for that? When are you going to tell us an estimated time of repair on this where we might have fresh water that we can actually use? Are we doing anything to get water for the people that are here? Are we reaching out to the base asking them to bring water buffaloes in so we can give water to our livestock. Are we reaching out to non-government agencies to see if they can assist in getting water for the sick and the elderly, the people who can't afford it? There are all kinds of resources in the world, and it doesn't; I haven't seen anything from this board, there is no communication coming out saying you are doing anything to assist the people. I've seen the cost of our water go up; I have not seen anything go up in the form of services. If you are doing something about it, then please let us know. Communicating and you would make a lot more people here be on your side. By remaining silent on it by not telling us anything, by sending out the message 8 days ago, that said "you know what, there's problems", we know there's problems. What are you doing to fix it? What can we do to help? Many people here have offered help tonight. All of us are reasonable people but we have families, we have children, we have elderly people in our lives that want to do it. I have visitors coming in from out of town this weekend so I went out today and I bought one of the water dispensers and I bought 30 gallons of water so my family that's coming into town can drink safe water. The showering? We may have to go into Killeen or to base to take showers at the gym there. Instead of having them shower at my house. That's sad and its embarrassing as hell that's the right word for it. I could explain it better if you explained it better to us. You have chosen not to take advantage of opportunities like the meeting last night to do that, you have chosen not to take advantage of the different social media services that are out there to get this across. For that you have failed. What are you doing to serve us, to make us better to get where it should be? Thank you.

Kelsey Speer: Hi, I'm Kelsey Speer. I, my family's been suffering, they are having to come to my home in order to receive the basics of human living rights clean water to shower. My sisters have to brush their teeth with bottled water when they're home and come to my home to shower to have dinner. And I love having my family there, but should my mom not be able to comfortably live in the home she paid for and bought to be her dream home. And at this point I feel like something needs to be done. We have options and the body language that a lot of you are showing up here today just tells me that a lot of you don't feel you have time for this. So, I did want to say, there are other options, there are other companies' other people who'd handle this problem. There is even the option of Georgetown, Georgetown got aquifer rights? Why can we not petition to do that? And then people will say oh we don't have aquifers, pull up the maps, they're there. Clean water is available to us, and it would mean getting all of you out of the seats that you are in in order to get clean water so that my family can live and be healthy. I would prefer that.

Bob Martinez: Members of the Board and those of you in here. I can only frame what I'm about to say in something that I know in the context and that is Iraq. When we moved into Iraq and our mandate was to move in, our mandate was to support three combat brigades. And the mandate of our office was you will support them with fuel, parts, beans, bullets, and water. That is, it. That is your job, is what they said. It is not incumbent upon those trigger pullers to source their own water. Source their own bullets, source their own food. That is what we did, that is what I'm asking from you. We are doing the fight just as my units did, I'm asking your board members to support those of us, the users, that need the water. We are doing our duty by paying, I have been a member and a payer of Kempner water since 1998. I drank blue water, yellow water, gray water, brown water, that is not an exaggeration I've been here since 1998. I drank water out of the tigris river when I was in Iraq and I felt better drinking that water coming straight out of one of the most polluted rivers in the world than I have faith in drinking this water here and just as everyone has said, I'm able to buy my water by the grace of god and by that military service and by the disability and by the job that I have here in serving soldiers

and the members as well. But there are many others who cannot. There are people that I know who have had medical issues, medical histories, transplants that cannot afford to get a sickness and illness, a food borne, or water borne illness, or they will expire. Members I ask you please take this as we took our job in Iraq as serious. People's lives are at stake. We are doing our duty, we are being good customers and paying customers, at a bare minimum, contractually I am doing my part and so are those here. We are paying, we are asking you to help us receive the product that we are paying for, potable water...potable water. Something as simple as being able to go to the faucet and drink water. That's all I got to say

NEW BUSINESS

4. Discussion and possible action to approve July 24, 2024, Monthly Board of Director's Meeting Minutes.

Billy Malady made a motion to approve July 24, 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 July 2024 Financial Statements.

Paul Williams made a motion to approve July 2024 Financial Statements. Kara Bathurst seconded the motion. 9 in favor, 0 opposed.

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

Billy Malady made a motion to approve the Letters of Intent from Professionals. Ric Dominowski seconded the motion. 9 in favor, 0 opposed.

7. Discussion and possible action regarding Debt Surcharge.

Dan Christy stated that KWSC's \$33 million debt is a disadvantage, and we need to raise funds to possibly get out of debt, which could allow for future infrastructure upgrades without increasing rates further. He explained he had a couple of proposals that would progressively increase rates with a debt surcharge over the next five to ten years to pay the corporation's debt off sooner. Dennis recommended we table the topic to pursue other options to get funding.

John Daugherty made the motion to reject the debt surcharge. Kara Bathurst seconded the motion. 6 in favor, 2 opposed, 1 abstained.

8. Acknowledgement of Richard Dominowski, Board of Director Secretary/Treasurer Resignation.

Resignation acknowledged.

9. Election of Secretary/Treasurer to fill officer vacancy.

Dennis Kliza nominated Dan Christy for Secretary/Treasurer. Dan Christy accepted the nomination. Stella Clements seconded the motion. 8 in favor, 0 opposed, 1 abstained.

10. Discussion and possible action to approve Old Business.

No updates, no action taken.

11. Manager's Report:

Rack three filters are in and fixing to be replaced. The generator has been delivered. Bruce explained the boil notice will remain in effect until all residuals across the system are 100% good. The water is safe to bathe in, it is safe to water your yard, you simply need to boil it before consumption. Salmonella cannot survive in a closed system with chlorine. Per ours and TCEQ's lab tests, there is no bacteria in our system. We tried to do a free chlorine burn in June, but CTWSC gave low chlorine, so we canceled. CTWSC has been somewhat unreliable since October. They now have 2 pumps in the water. We are having to take water from WCID for the free burn. The chlorine demand is four times the normal cost of chlorine.

12. Board of Directors' Announcements:

Stella Clements – I am new. This is my 4th meeting. Come to the meetings, get involved and know what is going on.

Ric Dominowski – I wish the best to all of you moving forward. It has been nice to work with you over the years.

Dan Christy – Nothing

Paul Williams – Thanks to all of you who stayed for the entirety of the meeting. You had great questions and ideas.

John Daugherty – I encourage those of you in the audience that stayed and want to help make KWSC better to apply for the open position on the Board.

Billy Malady – Same

Sam Kier – Thanks for showing up. KWSC is working to get great. Thank you, Ric, for your service.

Kara Bathurst – I am new to the Board. I attended meetings for a year before I joined. We are trying to get better. Thank you all so much for staying and respectfully voicing your great ideas.

13. President's Comments:

Ric, good luck with your surgery tomorrow. It took a while to get some of the questions answered. We will post the answers to the rest of them online like we have in the past.

14. Adjourn:

Paul Williams made the motion to adjourn at 8:14 pm. Kara Bathurst seconded the motion. 9 in favor, 0 opposed.

**Dennis Kliza, President on behalf of
Richard Dominowski, Secretary/Treasurer**