

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 May 27, 2020 are in summary only and, not a transcript of the recorded meeting.

Attendees: Board - Richard (Ric) Dominowski, Glen Posey, George McClintock, Roger O'Dwyer, Wende Hammond, Tom Kyzar, Keith Turner, Kenneth Sinker and Mack Carroll joined by Phone.

Guests - Becky McDonald, Beverly Hughes and Melody Stults.

Staff - Delores Coberley, Stacy Ellis and Susan Isenburg.

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

2. Pledge of Allegiance and Honor to the Texas Flag

3. Open Session - Ric Dominowski welcomed the new Board Members and introduced them.

He recognized Becky McDonald, Beverly Hughes and Melody Stults for the hard work they did on the election and presented them a small token of appreciation. In addition, Ric recognized George Gondorchin for his 6 years of service and presented him a certificate of appreciation. George stated it was an honor to serve the customers of Kempner WSC. Although they were not present, Ric also recognized Vanita Craft for 30 years plus of dedicated service of Kempner Water Supply Corporation and Janice Kliza for her 4 to 5 years of service.

"NEW BUSINESS"

4. Discussion and possible action to approve the February 26, 2020 Monthly Board of Director's Meeting Minutes.

Kenneth Sinker made the motion to approve the February 26, 2020 Monthly Board of Director's Meeting Minutes with correction on item 5, change the count from 6 to 7. Wende Hammond seconded the motion. 9 in favor, 0 opposed, 0 abstained.

5. Discussion and possible action to approve the February, March and April 2020 Financial Statements.

Stacy Ellis presented the February, March and April Financials to the Board. Keith Turner asked Stacy to explain the refinanced TWDB Loans and the depreciation numbers to the new Board of Director's. Keith Turner inquired about the Tractor Supply bill in the amount of \$3,500.00. It was thought to be for the new lawnmower approved in last year's budget, but Stacy will look up the invoice and email the Director's. He also asked about the bill for Steger & Bizzell and he was informed that it was for information regarding the exception letters for TCEQ. Roger O'Dwyer made the motion to approve February, March and April 2020 Financial Statements. Kenneth Sinker seconded the motion. 9 in favor, 0 opposed, 0 abstained.

6. Discussion and possible action to approve the March 26, 2020 Special Called Board of Director's Meeting Minutes after the General Membership Annual Meeting.

Roger O'Dwyer made the motion to approve the March 26, 2020 Special Called Board of Director's Meeting Minutes with corrections on the spelling of Roger O'Dwyer and Wende Hammond. Kenneth Sinker seconded the motion. 8 in favor, 0 opposed, 0 abstained.

At this time there was a communication loss with Mack Carroll.

7. Discussion and possible action regarding NextLink "Antenna installation on Water Tanks".

Delores Coberley presented the NextLink contract to the Board. NextLink approached Kempner WSC about installing their antennas on our 7 tanks and will pay \$300.00 per month with 2 free internet connections. They will have their own liability insurance and the contract is for 5 years. Keith Turner and Wende Hammond think it should be \$700.00, which is \$100.00 per tower and inquired about the financial state of the company.

Keith Turner made the motion to authorize the General Manager to move forward negotiating with NextLink for \$100.00 per tower and to change Item 5 to limit the 24 hour access to normal business hours and Item 8 to 30 days instead of 60 days. Wende Hammond seconded the motion. 8 in favor, 0 opposed, 0 abstained.

8. Discussion and possible action regarding Board of Director's Training relating to check signing procedures.

Ric Dominowski would like to invite the Director's to a check signing training. Kenneth Sinker made the motion to approve the Director's to have a check signing training. Roger O'Dwyer seconded the motion. 8 in favor, 0 opposed, 0 abstained.

9. Discussion and possible action to approve Committee Meeting Minutes:

a) Tariff Committee – February 18, 2020

Tom Kyzar made the motion to table the tariff for further review and clarification regarding keeping air gap as an option for swimming pools. Kenneth Sinker seconded the motion. 8 in favor, 0 opposed, 0 abstained.

b) Executive Committee – May 19, 2020 (Employee Policy/Handbook)

Recommended changes to the Employee Policy/Handbook:

Page 20: Sick leave maximum accrual changed from 1440 hours accrual to 480 hours. The only employee affected is Susan Isenburg with 1020 hours and she will be Grandfathered in. Susan will be allowed to keep her previously earned hours, but accrual will stop once the new policy is approved.

Page 21: Family and Medical Leave Act (FMLA) Policy, 3rd paragraph change "Department Manager to Human Resources Department."

Page 25: Clarify early withdrawal of retirement fund. Change to read, "Early Withdrawals will be subject to penalty in accordance with policy, state and federal regulations."

Keith Turner made the motion to approve the changes to the Employee Policy/Handbook. Kenneth Sinker seconded the motion. 8 in favor, 0 opposed, 0 abstained.

c) Negotiating Committee – May 19, 2020 (Georgetown & WCID1)

Delores sent a letter to Georgetown requesting some CCN off FM 2484, on both sides of the road, that Georgetown indicated they did not want or have the capacity to serve. If they accept the proposal, then it will come back before the Board for approval. Then it would have to go to PUC for approval. She stated she did not want to Wholesale water to the entities informational only, no action taken.

“OLD BUSINESS”

- a) WTP Intake Structure** – New Raw water pump installed. Received old pump from Weisinger. Jurgensen will repair pump and return to KWSC at which time, the pump will be placed in storage for back up.
- b) CTWSC** – Court ruled in favor of KWSC. Negotiations complete regarding satellite issues. The amendment has been signed and currently waiting on the appeal.
- c) Transfer of CCN** – Clayton Ranch, Bellpass and Dolph Moten have been sent.
Note: Bellpass and Dolph Moten are associated with our final Escrow agreement. Should receive from PUC by the end of June.
- d) CR 3600 Line Loop Project** – Engineers are in the process of preparing the 95% Construction plans. Easements are complete.
- e) CR 3420 Pump Station Project** – Received signed easement from landowner, awaiting Engineering plans.
- f) CR 3420 Exception for Inline Booster Pump** – TCEQ requested testing and calibration be done by a professional. This has been complete, and all documents have been sent to TCEQ. Currently awaiting approval.
- g) FM 1113 Waterline Loop** – Still needing one more easement.
- h) Stone Oaks Elevated Storage Tank** – Bid process will start on June 3rd, bid opening on June 19th, and bid award on June 24th.
- i) USDA Loan through CoBank** – Engineering and Environmental reports were submitted to USDA, pending approval.

10. Manager’s Report:

Delores informed the Board, the Generator at 195 Pump Station needs to be replaced. It was suggested, we get a quote from Generac. She explained that TRWA can come and set up one in case of an emergency to keep us running. We have completed the TCEQ requirements regarding attaching the tanks to the Pump Stations at Hewgley and Donnell Tank and will finish with Georgetown tank next week. The Flo Meters at FM 580 & Hwy 190 have been calibrated. The FM 580 Meter is off by 9% and a bill has been sent to Lampasas for the difference. The Raw Water Meter at the Plant will need to be replaced. The plan is to install a 36 inch wrap around pump inside the plant.

11. President's comments:

Ric Dominowski asked the Board members to please go over the Committee Assignments. He stated he appreciated Keith's ideas in using the Financial as teaching tool. He encouraged the new Director's to not be afraid to ask questions.

12. Board of Director's Announcements:

Keith Turner - Welcomed new members

Roger O'Dwyer - No comment

Kenneth Sinker - Appreciates the professionalism of the meeting. Glad he chose to run for the Board.

Tom Kyzar - Glad to be here.

Wende Hammond - Thank you for the warm welcome and she will have lots of questions in order to learn.

George McClintock - No comment

Glen Posey - Welcomed the participation and it is good to have people to ask questions and everyone's opinion counts.

13. Adjourn

Keith Turner made the motion to adjourn at 8:02 pm. Kenneth Sinker seconded the motion. 8 in favor, 0 opposed, 0 abstained.

George McClintock, Secretary/Treasurer