

Kempner Water Supply Corporation

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Subject: Minutes of the Board of Director's Meeting on June 23, 2021 are in summary only and, not a transcript of the recorded meeting.

Attendees: Board - Richard (Ric) Dominowski, Owen DeWitt, Keith Turner, George McClintock, Carl (Tom) Kyzar, Scot Mullican, Roger O'Dwyer and Glenn Posey. Kenneth (Ken) Sinker was absent
Staff Present - 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 – None

“NEW BUSINESS”

4. Discussion and possible action to approve the May 26, 2021 Monthly Board of Director's Meeting Minutes.

Owen DeWitt made the motion to approve the May 26, 2021, Monthly Board of Director's Meeting Minutes with the correction of his name on Item #9.
Tom Kyzar seconded the motion. 8 in favor, 0 opposed.

5. Discussion and possible action to approve the May 2021 Financial Statements.

Roger O'Dwyer made the motion to approve the May 2021 Financial Statements.
Tom Kyzar seconded the motion. 8 in favor, 0 opposed.

6. Discussion and possible action to approve the Beam & Hoist replacement for the One Ton Chlorine Cylinders at the WTP.

Delores Coberley informed the Board that the Beam & Hoist for the Chlorine Cylinders at the plant is operational but is a safety issue. She recommended replacing it.
Keith Turner made the motion to replace the Beam & Hoist at the WTP. Owen DeWitt seconded the motion. 8 in favor, 0 opposed.

“OLD BUSINESS”

“Discussion and possible action”

****Executive Session recommended prior to discussion and action in Open Session pursuant to Section 551.071 for purposes of discussing legal matters or consulting with attorneys****

****Item “a” Only****

Out of Regular Session – 6:20 pm
Into Executive Session – 6:21 pm
Out of Executive Session – 6:30 pm
Into Regular Session – 6:31 pm

****There was no action taken during Executive Session****

a) CTWSC – The El Paso Court of Appeals heard our oral argument on Thursday, May 20, 2021. The argument centered on the CTWSC viewpoint that a “fair” reading of the whole contract requires that the billing formulas for electricity, water, and O&M should be restricted to the volume of usage by the old water treatment plant since that was the only plant in existence at the time. Our argument drew the court back to the actual language of the agreement – that does not consider anything other than the total volume of all customers, and the previous cases that require the court to only look at the words actually used by the parties in the agreement. CTWSC has now requested a rehearing by the El Paso Court of appeals.

b) 3600 Line Loop Project – We anticipate beginning the bidding process for the proposed improvements in June 2021.

c) FM 1113 Waterline Loop – “See CR 3600 Line Loop Project”

d) USDA Loan through Co-Bank – The USDA State Environmental Coordinator in Temple TX is supporting our comment response efforts with the USFWS (US fish and Wildlife Service), which is associated with the potential Golden Cheeked Warbler habitat along the proposed FM 1113 pipeline alignment. We anticipate submittal of the Environmental Report and Preliminary Engineering Report (PER) for Phase 2 to USDA in June – July 2021, which will facilitate bidding the FM 1113 and CR 3600 waterline projects.

e) CR 3420 Pump Station Project – Paid 4 checks to Legion Development in the amounts of \$10,350.00, \$65,299.77, \$27,955.80 and \$34,830.00 totaling \$138,435.57 of the \$574,650.00 approved amount. Currently, the contractor has completed the storage tank and building foundations at the pump station site and is in the process of completing the underground piping and valve vault. Contractors hit a 2 inch water line at the Pump Station and while the water was off they did the tie in. The water was off approximately 8 hours.

f) Stone Oaks Elevated Storage Tank – Paid 9 checks to Caldwell Tanks in the amounts of \$22,571.34, \$125,630.09, \$243,063.87, \$87,714.54, \$453,516.70, \$37,161.72, \$86,710.68, \$175,788.31 and \$75,468.00 totaling \$1,307,625.25 of the \$1,752,600.00 approved amount. Note: Bid from Caldwell Tanks came in at \$1,632,600.00. The tank was filled and tested the week of June 14, 2021 and is expected to be placed into operation the week of June 21, 2021. Finish work and demolition June 2021 – July 2021.

g) GIS mapping for Distribution System: Jason is in the process of coordinating the GIS software purchase and configuration needs required to support the proposed GPS field data collection efforts by KWSC staff, GIS mapping updates by JHA staff, and shared online GIS map viewing by KWSC staff.

h) Chlorine Injection Site – On October 28, 2020, KWSC Board authorized the engineering design and cost analysis for the proposed Chlorine Injection Equipment at the abandoned Pump Station Site located at the KWSC field operations office. The project is intended to boost the disinfectant residuals in KWSC’s two 24-inch transmission mains along Highway 190 and FM 2313. Currently, we have determined that the proposed chlorine injections site will require inline static mixer (s) due to the proximity of the site to existing customers,

which will likely be cost prohibitive at this time due to large waterline diameter and additional valve requirements. We recommend implementing a tank mixing system first and revisiting the proposed chlorine injection site in the future if disinfection residuals continue to be a concern.

i) CCN Amendment – Topsey WSC Overlap – In February 2012, KWSC staff received approval from Topsey WSC for water service to the proposed Northern Hills Phase 2 – 5 and Ryatt Ranch subdivisions. On May 27, 2021, Jason submitted KWSC’s application to the PUC for approval of the amended CCN areas (reference PUC Docket No. 52171).

j) CCN Amendment – City of Copperas Cove Overlap - Continuing negotiations regarding the trade of CCN in overlapping areas. This is on hold at this time.

7. Manager’s Report:

Delores Coberley informed the Board that she has been working with Finley, City of Lampasas on tank maintenance issues and should have another meeting next week. One of the pumps at 195 Pump Station went out and it was 13 months old and the warranty was good for 12 months. Jurgenson is working on the warranty issue, so they will honor it.

8. Board of Director’s Announcements:

Glen Posey – Stated it was a good meeting, seems to be getting easier.

Roger O’Dwyer – Stated that the committee met about the bylaws and the election. He has been asked if Kempner WSC will ever pay any dividends.

Tom Kyzar – Nothing

Scot Mullican – Nothing

George McClintock – Asked what the Golden Cheek Warbler was?

Keith Turner – Can we expect the new cost for continued education to stay down since everything is virtual?

Owen DeWitt – Stated it was a good choice to go with the smart meters. He stated there is a lot of documentation about open info email, they can be subpoenaed. You must have a confidentiality clause on each email.

9. President’s Comments:

Ric Dominowski informed the Board that he had been approached by another company wanting to purchase Kempner WSC. He informed them that we were not for sale.

10. Adjourn

Roger O’Dwyer made the motion to adjourn at 7:03 pm. Tom Kyzar seconded the motion. 8 in favor, 0 opposed.

Keith Turner, Secretary/Treasurer