

Kempner Water Supply Corporation

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Subject: Minutes of the Special Call Joint Meeting between the Kempner WSC Board of Director's and the City of Lampasas Governing Body on March 4, 2024, are in summary only and, not a transcript of the recorded Meeting.

Attendees: Board - Dennis Kliza, Sam Kier, John Daugherty, and Dan Christy. Wende Hammond, George McClintock, Paul Williams, Billy Malady, and Richard (Ric) Dominowski were absent. KWSC Staff - Bruce Sorenson, Stacy Ellis, Bo Wilson, TJ Amstead and Susan Isenburg. City Council – Herb Pearce (Mayor), Zac Morris (Mayor Pro Tem), Chuck Williamson (Council Member), Eric Hernandez (Council Member). Cathy Kuehne, Council member (arrived at 6:25 pm)
City Staff - Finley deGraffenried (City Manager), Becky Sims (City Secretary), Van Sims (WWW Operations Manager and Stephen Sewell (Plant Supervisor)

- 1. Called to Order and No Quorum – 6:07 pm**
- 2. Open Session: None**

NEW BUSINESS

- 3. Discussion and regarding Joint Use accounts and future contribution**

Stacy went over Joint Use Accounts and their current balances.

- 4. Discussion regarding contract amendment to 2006 Wholesale Water Supply Contract to allow City purchase of defined quantities of water from KWSC that will address payment of water.**

Finley explained the City has capacity in the Central Texas Water Supply Corporation (CTWSC) plant and KWSC lines but according to the contract, all water billed to the City must come from CTWSC. It is hard for KWSC to exactly match Lampasas' usage with what is provided by CTWSC but as the contract reads, the City is not required to purchase water directly from KWSC. Bruce explained we are proposing an amendment to the 2006 Wholesale Water Supply Contract to be able to bill Lampasas according to actual usage at 190 and 580 meters. KWSC would rely on CTWSC for the City's water. The proposed amendment would allow for a 10% buffer from KWSC's plant when CTWSC delivered water and City usage do not match exactly.

Bruce explained that separately from the amendment, there is also a need to extend the emergency contract signed in October 2023. CTWSC's situation is critical, and they cannot provide enough water to serve Lampasas' needs. They are trying to get loans to do the major repairs needed at their plant. While KWSC is providing water to cover the shortfall, we just need Lampasas to pay for all the water delivered to them. KWSC would like to see a one-year extension to the emergency contract at \$2.11 per thousand, which is what it costs KWSC to make the water.

Mayor Pearce stated he understands the situation and is appreciative that KWSC can and is willing to help in this time of need. He will put the amendment and emergency contract extension on the upcoming Council agenda for discussion and a vote.

5. Discussion regarding status, condition, and possible conveyance of the Georgetown GST to the City.

No discussion.

6. Discussion regarding operational conditions affecting Kempner Water Supply Corporation or the City of Lampasas including Delivery, Quality and Quantity of water, any action needed by the parties to ensure compliance with wholesale Water supply contract by and between Kempner and Central Texas Water Supply Corporation.

Bruce explained CTWSC gives us low chlorine that cannot make it all the way through the system and maintain compliance. KWSC had to flush over 90 million gallons from October to December to provide Lampasas with quality water. We need a chlorine injection site. The contract requires KWSC to deliver Lampasas water at a minimum residual of .5. We would like to deliver a 2. This would benefit both entities and decrease THMs. Bruce explained he estimates it would cost about \$150,000.

Herb asked if the City could share with the cost of that. Bruce explained he was hoping the City would cost share and the two entities could agree to use the Joint Use account to install the chlorine injection site.

Finley stated to recap: Council will vote at the next meeting on the Contract Amendment, extension of the emergency contract and using the Joint Use account for the Ivy Mountain Injection site.

Dennis thanked everyone for the meeting and said KWSC wants to help get the City the water they need, we just want to be paid for it.

7. Adjourn:

The meeting was adjourned at 6:50 P.M.

Dennis Kliza, President