

KING CREEK WATER SUPPLY CORPORATION

AGENDA

2023 Annual Membership Meeting

Location: 288 County Road 1605 (Ron's Camper port)

Date: 06-May-2023

Time: 11:00AM

1. Call to order
2. Present 2022 Meeting Minutes
 - a. Minutes read
 - b. Motion to accept or amend required
3. Financial Report
 - a. 2022 Itemized Income & Expense
 - b. 2022 Year End Balance Sheet
4. 2022 in Review
 - a. Operational Stats
 - b. Termination of Communities Unlimited
5. Future Operation 2023 & Beyond
 - a. Capital improvements
 - b. Update on selling KCWSC
 - c. 2023 Budget
6. Elections
 - a. None to be held – Current seats were unopposed
7. Volunteers (2-3) for 2024 Credentials Committee
8. Membership Questions
9. Adjourn Membership Meeting

Immediately following the Membership meeting the Board of Directors will meet to elect the officers. A separate agenda will be posted.

KING CREEK WATER SUPPLY CORPORATION

CALL TO ORDER

- Welcome everyone
- Meeting norms
 - When a motion is required, it will be called for (approving minutes)
 - Be respectful
 - For any questions that are not answered please send email to kingcreekwsc@gmail.com

2022 MINUTES

- Minutes are read to membership
- Request motion to approve (or amend)

2022 FINANCIAL REPORT

• Total Gross Income in 2022:		\$ 46,092.10
○ Water sales:	\$ 39,990.60	
○ Late Fees:	\$ 990.00	
○ Reconnection Fees:	\$ 50.00	
○ Service Fees:	\$ 4,860.00	
○ Regulatory Assessment:	\$ 201.50	
• Total Expenses in 2022:		\$ 31,985.72
○ Contract Services:	\$ 15,081.02	
○ Special Compensation:	\$ 500.00	
○ Business Supplies:	\$ 615.89	
○ Operational Supplies:	\$ 808.15	
○ Repairs/Maintenance:	\$ 1,976.48	
○ Utilities:	\$ 4,345.90	
○ Insurance:	\$ 1,706.91	
○ Professional Dues & Fees:	\$ 600.00	
○ State Agency Fees:	\$ 194.11	
○ Lab & Testing Fees:	\$ 1,125.09	
○ Website Fees:	\$ 498.30	
○ Payclix Fees:	\$ 1,006.13	
○ Misc. (unspecified):	\$ 2,518.18	
○ Account Deposit refund:	\$ 141.46	
○ Account Loss (closed):	\$ 115.47	
○ Account Adjustments:	\$ 551.13	
○ Regulatory Fee:	\$ 201.50	
• Capital Reserve:		\$ 10,230.38
• Net Income in 2022:		\$ 3,876.00

The Board managed and maintained the budget in 2022.

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FINANCIAL BALANCE SHEET

1:12 PM

01/08/23

Accrual Basis

KCWSC

Balance Sheet

As of December 31, 2022

	<u>Dec 31, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
110.1 · FNB Checking 8848	44,570.84
110.2 · FNB Money Market 0984	107,653.14
110.3 · FNB Membership Reserve 8556	32,894.97
Total Checking/Savings	<u>185,118.95</u>
Total Current Assets	185,118.95
Other Assets	
140 · Security Deposits Asset	110.00
Total Other Assets	<u>110.00</u>
TOTAL ASSETS	<u>185,228.95</u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
250 · Other Liabilities	-30.69
Total Long Term Liabilities	<u>-30.69</u>
Total Liabilities	-30.69
Equity	
160 · Opening Bal Equity	169,850.96
190 · Unrestricted Net Assets	6,465.85
Net Income	8,942.83
Total Equity	<u>185,259.64</u>
TOTAL LIABILITIES & EQUITY	<u>185,228.95</u>

The current Capital Reserve allocation is \$100,330.14 which is held in the money market account.

2022 OPERATIONAL REVIEW

- Stage 1 Restrictions remain in place.
 - Will elevate to higher stages with more stringent restrictions if well's average GPM production rate drops
 - Next stages of the Drought Contingency Plan ARE MANDATORY
- No major breaks or unplanned repairs in 2022
- TCEQ granted a financial exception for the Emergency Preparedness Plan (EPP) to KCWSC.
 - A VERY BIG DEAL!!

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- No need for generator, power transfer equipment, fuel, and annual maintenance. Saving the company approximately \$160,000 of original cost plus \$12,000 each year in recurring expenses.
- TCEQ still requires KCWSC to be proactive and prepare for extreme weather
- 30 x 40 section of land purchased adjacent to well for expansion. Original need was for generator site to meet State EPP requirements. Space is being evaluated for alternant use.
 - Cannot put a well on this parcel of land
 - Too close to current well
 - Unable to obtain sanitary easements due to proximity of septic systems
- USDA Grant did not mature.
 - KCWSC was denied the initial grant for engineering planning because the average income was \$300 over the limit.
 - KCWSC was lumped in with Laguna Park according to the 2020 Census.
 - May be blessing in disguise as the Board has learned that the USDA Grant would require a yearly certified financial audit which could cost up to \$15,000 per audit.

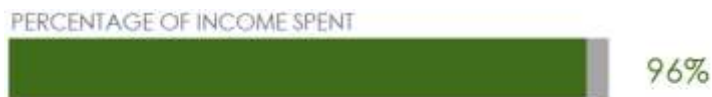
2023 AND BEYOND OPERATIONS

- Serious lack of interest and involvement from Membership to serve on Board.
 - Major problem – company cannot run itself
 - Requires dedication and commitment to operate the corporate business
 - Compliance with State business and safety laws are not optional
 - Public health and safety could be placed at risk
- EPA Lead & Copper Rule Inventory / Revision (LCRI/R) Requirement
 - Not optional – you can thank your congressman
 - Must inventory all water supply pipes up to the point of entry to customer structure
 - Customer information and a time sensitive survey will be mailed to all property owners
 - Will be accessing private property to inspect water pipe from the meter to the home
 - Notices will be given prior to activity
 - Refusal to allow access for inspection will force additional water sampling which the cost will be assessed to accounts that have refused access
 - KCWSC will make reasonable attempt to limit disruption of water supply and physical damage, but will not guarantee or replace grass, plants or landscaping
 - The Board will attempt to combine the inspection activities with other work where possible to reduce the cost.
- Planned 2023 Improvements (\$60,000)
 - Meter replacement
 - Replace all meters in system with new technology and electronic meter reading
 - Metal and concrete meter boxes will be replaced to accommodate the new technology
 - KCWSC will no longer tolerate the use of the utility shut-off within the meter box once electronic meters system put into place

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- Board investigating if contractors will be able to offer a customer discount where a customer water shut off valve is needed
 - Complete current well site preparation
 - Fencing
 - Surface prep
 - Well house structural repairs
 - Continued effort to secure funding, regulatory approval, and site suitable for new well
- Continue to entertain proposals from other water supply corporations to purchase KCWSC
 - The Board will evaluate the proposals
 - If proposals are deemed to be “good for membership” then the Board will present the proposal to the membership for their review and vote
 - Inevitable without membership dedication to owning, managing, and operating the business of the WSC.
 - KCWSC estimated valued ranges between \$250,000 and \$590,000 in current condition
 - Each membership would get a share from sale
 - Any offer would include a negotiated clause for rate freeze over a period of time
- The Board will continue effort and dedication to maintain and operate water system as highest priority insuring reliable and safe drinking water
 - Current water rates are being analyzed against the effects of inflation
 - Rates will need to be raised in order to pay for services such as professional bookkeeping, and other professional services that are not within the capability of sustainment by the Board

2023 Budget



SUMMARY

Total Monthly Income	Total Monthly Expenses	Balance
\$4,365	\$4,205	\$160



KING CREEK WATER SUPPLY CORPORATION

2024 Credentials Committee

- Credentials Committee. Each year the Board of Directors will appoint a Credentials Committee of three individuals during the first business meeting after the annual members' meeting.
 - The chairperson of the Credentials Committee will be the Secretary–Treasurer unless that individual is running for re-election the following year; in which case the Board will appoint a director not running for re-election to serve as chairperson of this committee.
 - In filling the other two positions, the Board will appoint one other member of the Board and one other person from the membership.
 - The Credentials Committee may assist the board: (1) by recommending for Board approval the election procedures, ballot form, director application form, meeting packet, and meeting notice; (2) by recommending for Board approval a person to fill the role of independent election auditor (“Election Auditor”); (3) by ensuring that the election procedures are implemented; (4) by generating interest among the membership to apply to serve on the board; (5) by verifying candidate applications and petitions for completeness; and (6) by serving other functions as set forth in these procedures.

Open Floor for Comments & Questions

- Questions and comments are welcome and can be sent to kingcreekwsc@gmail.com