

**KING CREEK WATER SUPPLY CORPORATION
2024 ANNUAL MEETING MINUTES**

Date: May 4, 2024/**Time:** 10:37am-12:05pm/**Location:** Well House (111 CR 1605, Clifton, TX)
Meeting called by: Kenneth Eubanks **Director Attendees:** Kenneth Eubanks, Pres.; Craig Hoffman, VP, Pam Kellan, Sec.; Shauna Latham
Type of Meeting: Annual Membership **Note Taker:** Kenneth Eubanks **Bruce Roebuck and Ron White-One vacant seat**
Timekeeper: Kenneth Eubanks **Guest/VIP:** None

Meeting called to order 10:37am with quorum 22 voting members registered in attendance

AGENDA TOPICS:

Kenneth read the agenda and explained that the agenda and membership information covered in this meeting would be posted on our website KCWSC.com.

1. Secretary's Report:

Elizabeth Taylor motioned to accept the 2023 Annual Membership minutes as posted on website, in lieu of reading them aloud in meeting. Vicki Cross 2nd . Motion passed.
Discussion: None

2. New Director Applications for 2024:

Kenneth explained to the members that no applications had been received for Director positions. This is the second consecutive year no one has applied for a director position. Since the current board member who's seats were up for election choose to remain on the board (Kenneth Eubanks, Pam Kellan and Ron White) the State Code allows for those current unopposed board members to be seated by proclamation without an election. Kenneth explained how the board is broken into 3 groups for the purpose of staggered terms of 3 years each. Kenneth expressed concerns that the board has with the lack of membership involvement or participation. This is the primary reason for selling the system as several current directors have served several terms and are "tired", especially with the new Government regulations and procedures needed. The Board requires new participation in order to help keep the forward progress going in running and improving the system. Kenneth notified membership that we currently have an open seat. Kenneth notified the members that this would be his last term on the board, unless in the middle of selling. Pam Kellan stated this would probably be her last year too, unless in the middle of selling. Beverly Worley asked if it would be possible if the Board members could be compensated and if it could be voted on. Kenneth stated that the Bylaws would have to be amended, as they currently only allow provisions for the Treasurer to receive compensation. Since the agenda of this year's meeting did not include changes to the Bylaws for the general membership to consider, a vote could not be taken, but offered that the Board would take this issue up in its business meeting and if agreed upon, would be presented the membership for a vote. Shauna Latham explained it is not so much the money, as it is the time spent on running the system.

3. Financial Report for 2023:

Kenneth presented income and expenses, as posted on our website. Theresa Surley asked if there was enough money if well failed. Kenneth explained that if it was just the pump, yes, there is money planned and set aside just for that purpose. However, if the well itself failed, then no, there is not money set aside to cover the cost of that magnitude. Kenneth further explained how the \$12. service fee is being used to systematically replace equipment on a time schedule so that the funds to pay for equipment would be available. In the case of a complete well failure, the cost could be greater than \$500,000 and a loan would have to be obtained. Kenneth gave the example of replacing the main water lines in which Bruce Roebuck had been given an estimate of near \$600,000. The money would have to be borrowed from the bank on a 15 year or longer term. The monthly

loan payment would have to be divided by the 82 connections on the system and that amount would be applied on the water bill as an assessment above the cost of water.

4. Lead and Copper Rule:

Kenneth briefed the members on the Lead and Copper Rule efforts that were passed down from the EPA to the State through TCEQ. He explained how a physical inventory of the pipes before and after the meter have been inventoried and that the inventory must be submitted to TCEQ by August 2024. The inventory report must be filed with TCEQ each year from now on. The members were informed that each would be surveyed to get information concerning the interior plumbing as part of the on-going compliance. After more information is available, "town hall" meetings will be held to pass on information. Kenneth presented a section of the main line that just had been removed and replaced a few months earlier to show the condition of our pipes and how continued maintenance is required.

5. Well Condition:

Kenneth stated the well was being monitored for its output and electricity usage, as these were key to understanding the health and timing of service. Kurt Miner asked how deep the well is. Kenneth informed that we receive our water from Middle Trinity Acquirer. Kenneth informed that the well is 1200 foot deep, but the pump was only 800 foot down due to the limitation of the well. Craig Hoffman explained that the casing of the well was too small for a larger pump. Theresa Surley asked how long it would take to get a pump if the well failed, referencing as to how long it took last time. Kenneth said that the well company has stated that the lead time to get a pump is a few days, if using the same pump. If a specialty pump is needed, those can take several weeks or longer to obtain. Kenneth explained that monitoring the well's health is critical to being prepared for such an event.

Kenneth explained that there are several items that should be addressed to facilitate the future need to access the well in case the need for service is required.

6. Pros and Cons of selling the system:

Kenneth walked through pros and cons graph that he had prepared and available on our website.

Kenneth informed the membership, that a legal service has been retained to be sure that the best interest for KCWSC was being met. This includes how the distribution of funds would be handled and reviewing contracts received. He explained that the Board was taking the process very seriously and not "just looking for a buyer" and will not entertain any company or offer in which the company is not customer oriented and does not uphold safety concerns that we all expect. At this time, the Board does not have any offer to present to the membership. Cynthia Sevier asked how long it would take to sell with an acceptable offer. Kenneth estimated about two years with the necessary steps that have to be taken. Membership meeting required and sell voted on, then the Texas Public Utility Commission would have to review and approve.

Meeting adjourned:

Ron White motioned to adjourn meeting at 12:05 pm. Elizabeth Taylor 2nd. Motion passed.

 6-11-24
Kenneth Eubanks-Pres

 6-11-24
Pam Kellan-Sec