

KCWSC
Annual Membership Meeting

May 4, 2024

Agenda

- Call to Order
- Reading of the Minutes
- Proclamation of Unopposed Board Seats (no election)
- Financial Review
- Water Rate Study
- Water System Update
- Update on Selling the System
- Volunteers For Credentials Committee
- Open Q&A
- Adjourn

2023 Minutes

- Minutes located here: https://www.kcwsc.com/documents/1303/2023_Unapproved_Minutes_-_Annual_Membership_Meeting.pdf
- Motion required to accept minutes.

Proclamation of Unopposed Candidates

RESOLUTION DECLARING UNOPPOSED CANDIDATES OF KING CREEK WATER SUPPLY CORPORATION ELECTED

WHEREAS, King Creek Water Supply Corporation posted notice of the opportunity for candidates to submit applications to run for three (3) positions on its Board of Directors pursuant to Texas Water Code Section 67.0052(b), and

WHEREAS, only three (3) people submitted applications for these open positions, thus creating an unopposed election for each position pursuant to Texas Water Code Section 67.0055;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF KING CREEK WATER SUPPLY CORPORATION DECLARES ELECTED TO THESE POSITIONS:

Kenneth Eubanks

Pam Kellan

Ron White

The Board of Directors so orders that this resolution be posted at the Corporation's website and read into the record at the Corporation's annual meeting, pursuant to Texas Water Code Section 67.0055.

PASSED AND APPROVED this 19 day of March, 2024.



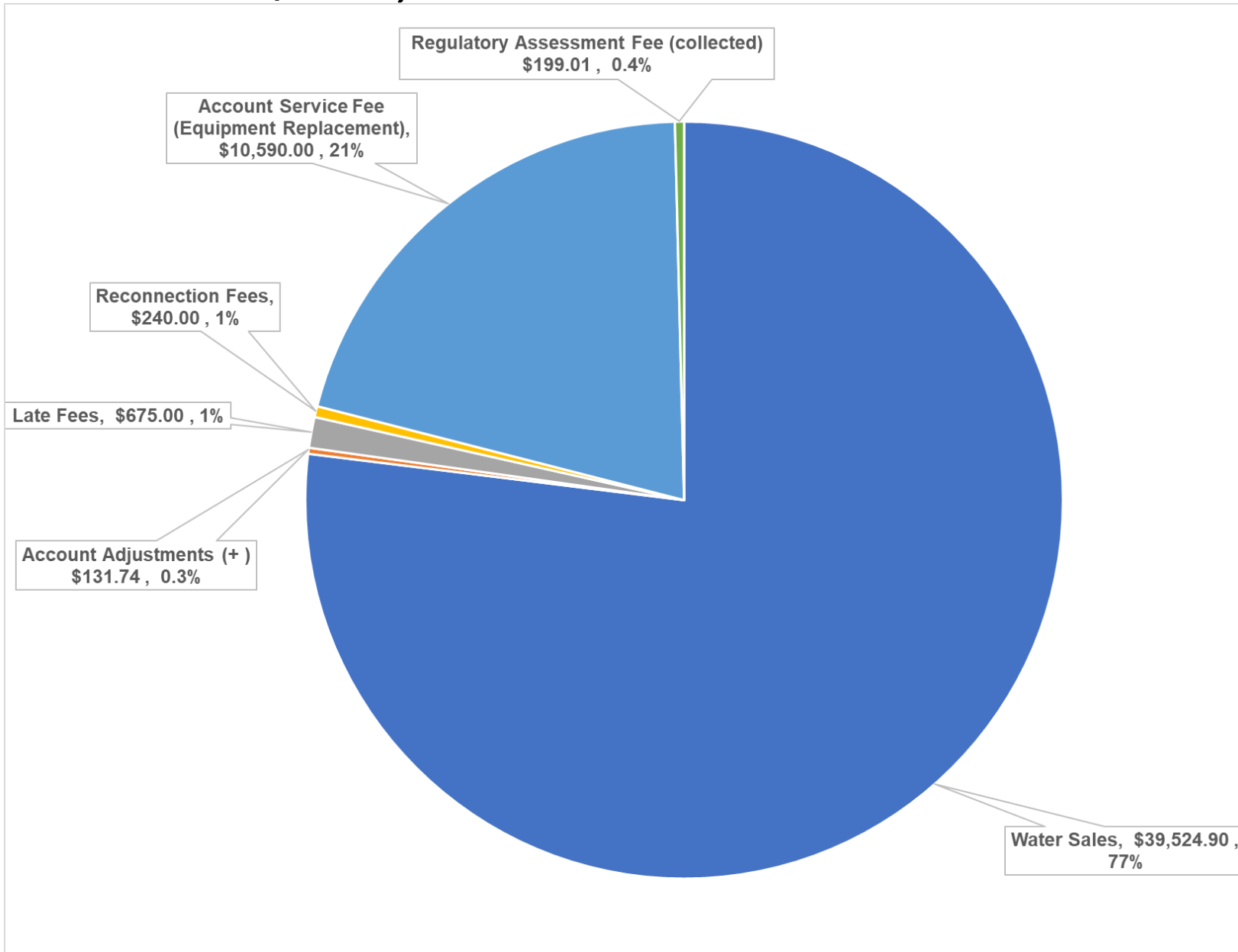
President, Board of Directors
King Creek Water Supply Corporation

ATTEST:



Secretary, Board of Directors
King Creek Water Supply Corporation

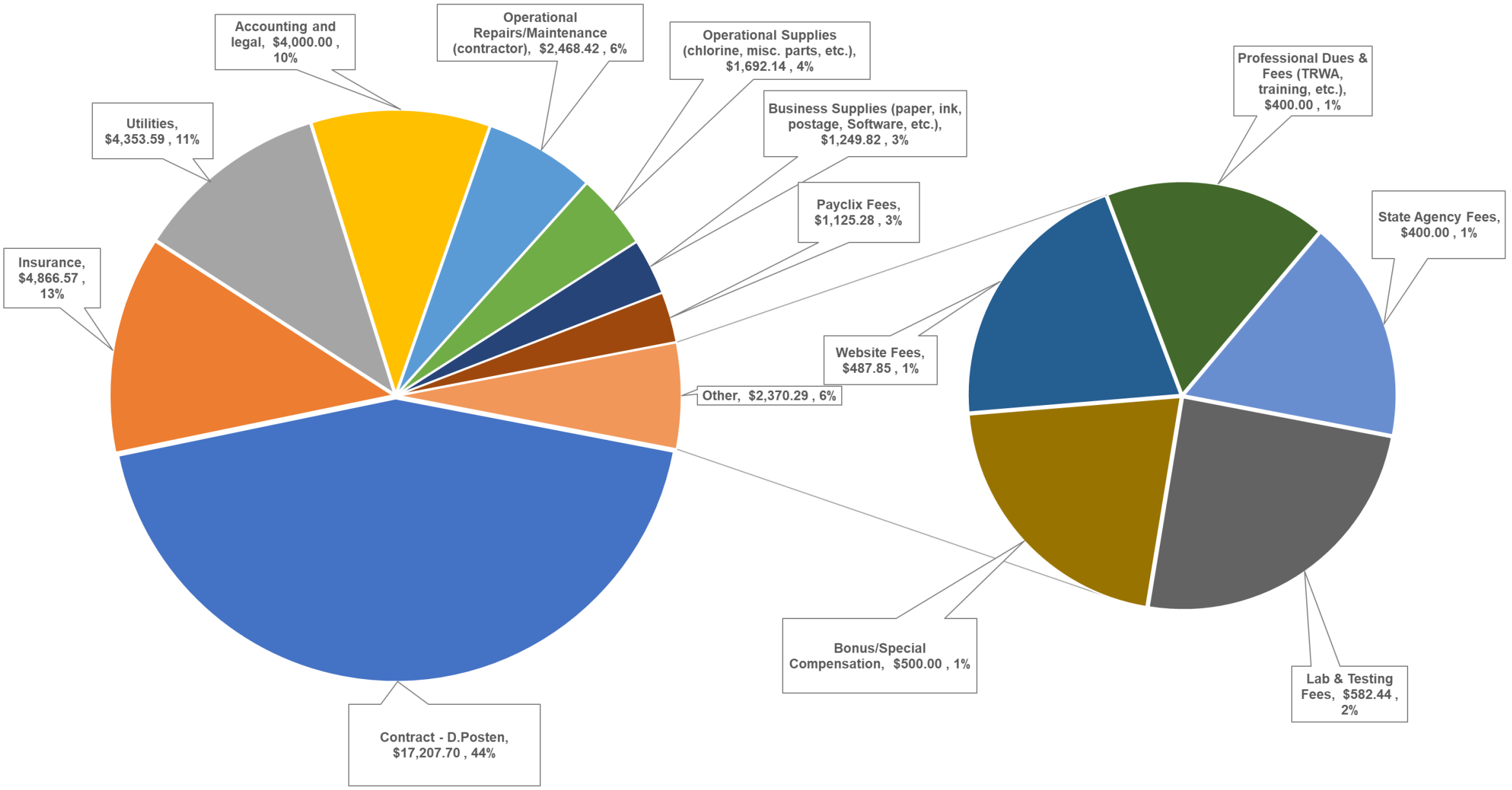
INCOME: \$51,360.65



NOTES:

- The Regulatory Assessment Fee is collected by KCWSC for the TCEQ and not available for use.
- Account Service Fee is the \$12/month fee collected that is directly allocated to the replacement of equipment.

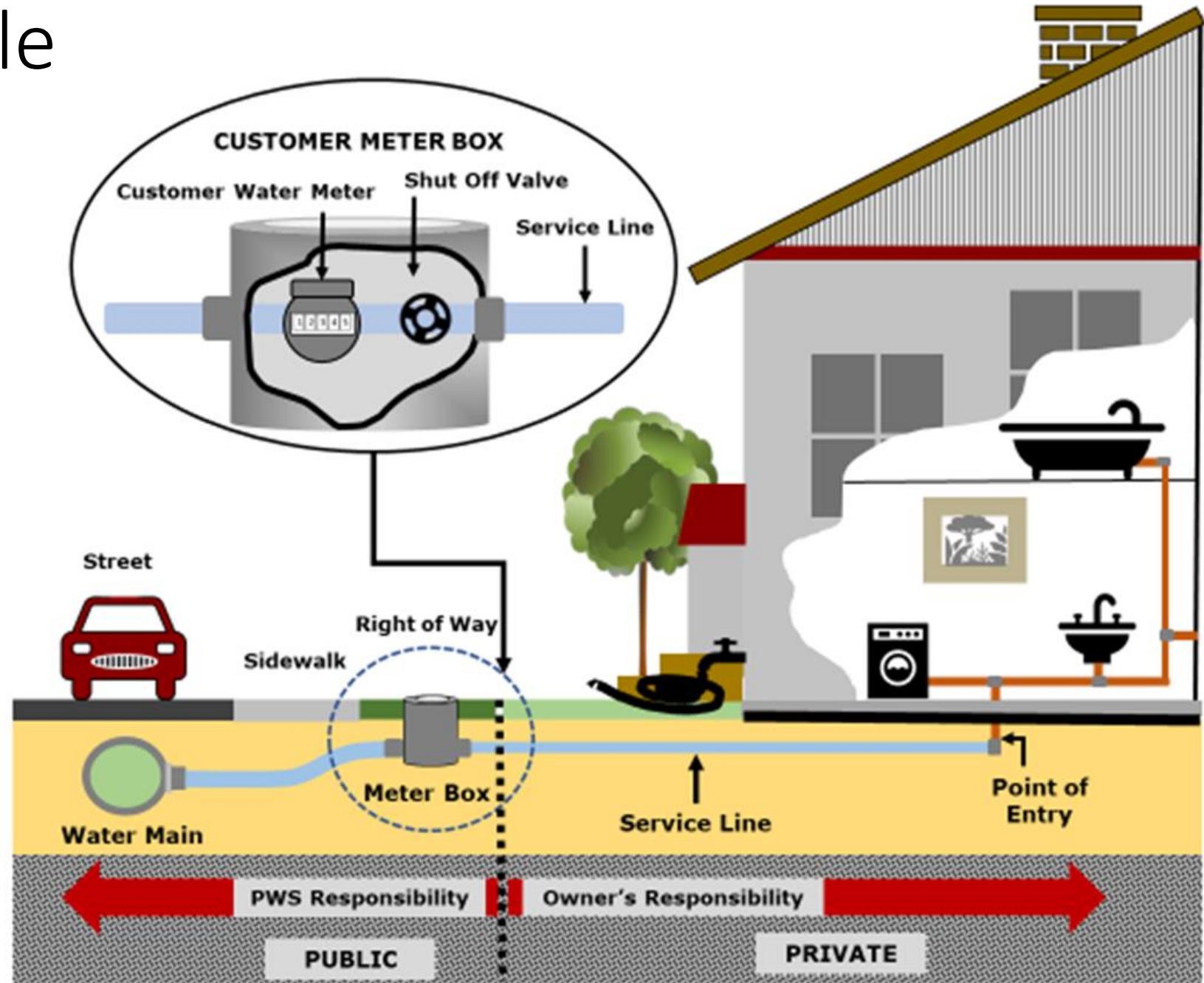
EXPENSES: \$39,333.81



Lead & Copper Rule

Develop service line inventory

- 40 CFR §141.84 – All water systems must develop an inventory
- 40 CFR §141.84(a)(2)- the inventory must include all service lines regardless of ownership status
- 40 CFR § 141.31(d)(2) - For a lead action level exceedance (ALE), public water systems must provide public notice as soon as practicable, but not later than 24 hours after the public water system learns of the exceedance.



Water System Update – Lead & Copper Rule

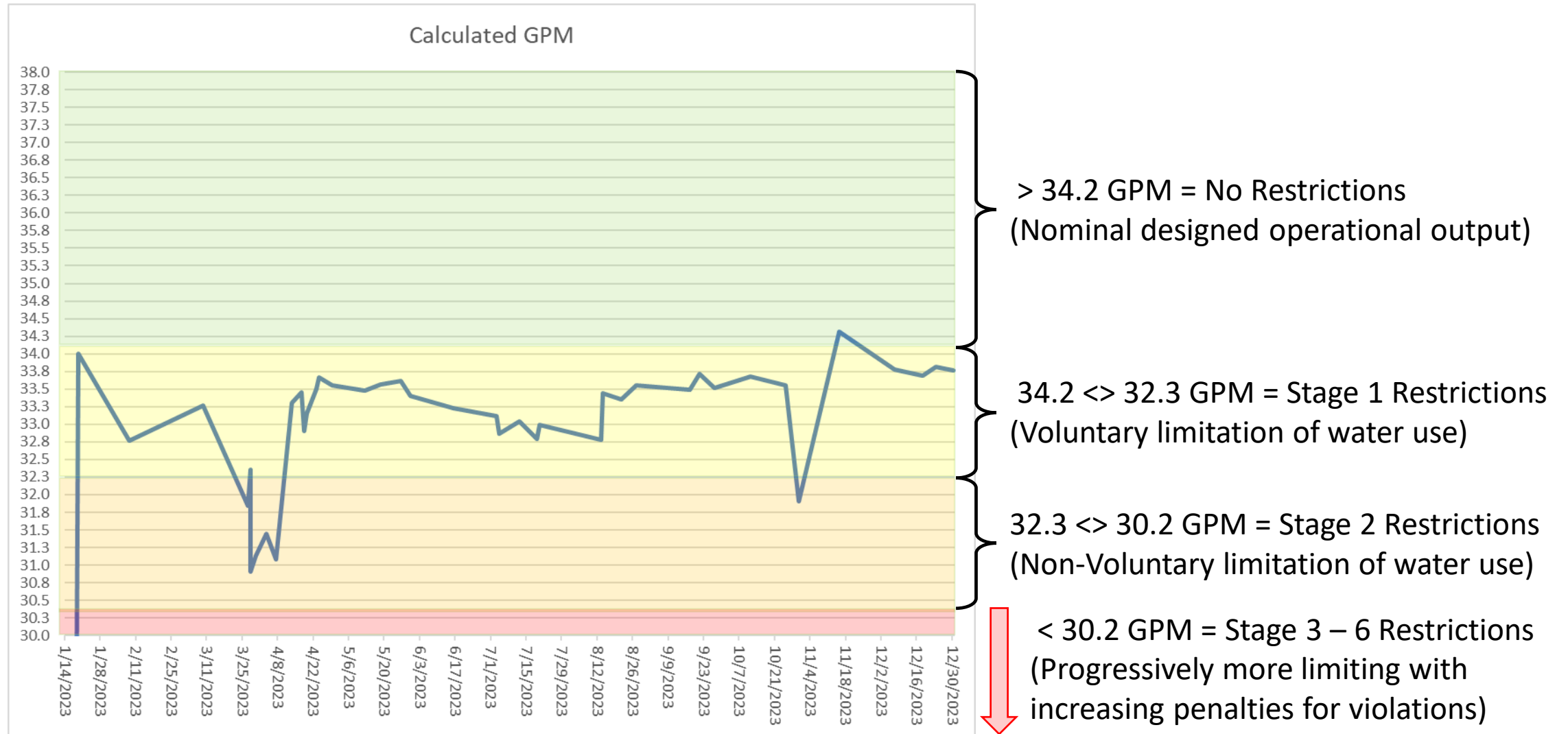
- EPA directive that is flowed to the States to administer
 - Requires a complete inventory of Service lines, including privately owned plumbing
 - Plumbing with lead, galvanized pipe exposed to lead, or copper plumbing containing lead solder must be identified
 - Annual reporting requirement
 - 10-year window to remove and replace service lines that are identified as “potentially lead contaminated” or of “Unknown” status
 - Results must be made public
 - Government assistance may be available to individuals
- Results of KCWSC LCRR Inventory
 - No Lead found in the KCWSC owned Service Lines
 - One copper KCWSC Service Line
 - Four copper member owned Service Line
- Next Steps
 - Membership survey to determine interior plumbing
 - Any copper plumbing installed before 1988 potentially contains lead solder
 - Community “townhall” meetings to be scheduled to provide more details when available

Water System Update – Known Issues to Focus On

- Elevated monitoring due to Submersible Well Pump age
 - Pump output consistent but below rated capacity
- Meters need to be replaced
- Storage Tank paint peeling, needs recoating to prevent UV damage
- Well House repair or replacement
- Electrical Power System is piecemealed together and located to structure that must be removed in order to service the well
- Copper Service line replacement as identified in the LCRR inventory
- Main Line replacement where corrosion and degradation have risk of failures

2023 Well Production in Gallons Per Minute

Stage 1 Voluntary Water Restrictions will remain in place. Potential Stage 2 restrictions if production falls below 32.3 Gallons per Minute.



Selling King Creek WSC

- Current Status
 - KempSmith Law Firm hired for legal counsel and contract administration
 - Potentially four (4) companies interested in KCWSC
- Next Steps
 - Board will review all proposals
 - Determine best offer
 - Offer Price
 - Operation and Service history
 - Customer service
 - Call special membership meeting to present offer and vote on selling

Selling King Creek WSC

Reasons to Keep

- Reasons to Keep
- Membership retains water rights
- Membership maintains control of the Board
- Membership maintains control of operation
- Membership maintains control of rates
- Bragging rights of “owning a water system”

Fact: the commitment of the membership to actively engage in the business operation of KCWSC is required. This means serving on the Board, commit the time to know and understand the laws, maintain documentation, complete and sign contracts, agreements, and other legal binding documentation. Be on call to respond to customer needs, emergencies, audits, propose work, interview contractors, etc. The water system nor the business of running the system operate autonomously.

Reasons to Sell

- Lack of membership active participation
- No interest in day-to-day operation of WSC, website, payment system, government policies, State agency reporting, etc.
- Board Officers personally liable for system operation and safety
- Board Officers personally liable for reporting and responding to Fed, State, Local agencies
- Lack of experience within membership for officer positions i.e., Treasurer
- Majority of the membership moved into King Creek to retire or simplify their lives and get away from external burdens/responsibilities
- Eliminate the exclusion & hard feelings between neighbors due to water company issues
- KCWSC as a member owned company does not have the experience or manpower to seek and apply for grants and funding. Whereas a larger multi-system company would be better positioned to have full-time staff or resources to deal with bureaucracy and paperwork
- KCWSC is in good operating condition and system health to ask for and receive a competitively high price
- Potential that future KCWSC Boards will not honoring standard practices and policies set in place by prior Boards to continuously improve the WSC thus putting the WSC at risk of non-compliance