

**KING CREEK WATER SUPPLY CORPORATION
BOARD OF DIRECTORS MEETING MINUTES**

Date: July 11, 2023/Time: 6:33pm-7:55pm/Location: 148 CR 1605, Clifton, TX 76634
(Kenneth's home)/Dial In: (978)990-5064, Access Code: 1408755#/Join online:

<https://joinfreeconferencecall.com/kingcreekwsc>

Meeting called by: Kenneth Eubanks
Type of Meeting: Monthly Meeting
Facilitator: Kenneth Eubanks
Note Taker: Kenneth Eubanks
Timekeeper: Kenneth Eubanks

Attendees: Kenneth Eubanks, Pres., Pam Kellan,
Sec., Ron White, Bruce Roebuck and Shauna
Latham
Unable to Attend: Craig Hoffman, VP and Robin
Hamilton, Treas.
Guest/VIPs: None

Meeting called to order: 6:33pm

AGENDA TOPICS

1. **Public Address: (15 minutes)**.....Members/VIPs
None
2. **Secretary Report (5 minutes)**.....Pam
Bruce motioned to accept the June Board Minutes as presented. Ron 2nd. Motion passed.
Discussion: None
KCWSC Correspondence received: There were two pieces of significant mail received:
1). One official response with a proposed bid for the LCRI and meter replacement project.
2). Affidavit and invoice from the Clifton Record for the second week run in the newspaper
ad soliciting LCRI proposals required for funding from TWDBDW
3. **Treasurer's Report (10 minutes)**.....Kenneth for Robin
Ron motioned to accept the June Treasurer report as presented. Pam 2nd. Motion passed.
Discussion: Kenneth commented that the account balances were steadily growing and
that he did not see anything alarming in the expenditures. Kenneth also states that he,
Pam and Robin will need to get together and work on the financial procedures,
Kenneth presented an invoice for \$3.60 for printing (18 pages). Board approved.
Kenneth authorized the payment of \$216.00 to The Clifton Record/Meridian Tribune for
second week ad run of the LCRI request for proposals.
4. **NEW BUSINESS**
 - A. **Lead & Copper Rule Inventory Work Proposal Review:** Only one response to the LCRI/
Meter Replacement Request for Proposal was received. Kenneth briefed the Board that
there had been no email responses, no telephone responses and no web inquiries
concerning the LCRI/Meter Replacement newspaper public notice or direct email
solicitations from minority owned or disadvantaged companies. He explained that to the
best of his knowledge and ability that KCWSC had met, in good faith, the disadvantaged
business administration's procurement requirements. Therefore, the Board could consider
the proposal from David Posten, even though his business is not considered a minority
owned/disadvantaged company.
Proposal was reviewed by Board: LCRI bid is \$8,708.00 and \$7,188.00 for meter
replacement. Ron motioned to accept bid. Pam 2nd. Motion passed.
Discussion: Shauna commented that David is a good candidate contractor since he is
intimately familiar with our system. Pam also commented that David would be good due
to knowing our system. Shauna suggested that KCWSC should inspect the work at
periodic intervals. Kenneth explained that the proposal clearly made that statement but
would be specifically addressed in the official contract made between David and KCWSC.
Kenneth explained what a "curb stop" is in proposal for those who were unaware of this
terminology. Every connection has a curb-stop, but only the ones that are inoperable or
that do not have a locking feature would need to be replaced.

B. Kenneth made a motion to amend the above motion to accept David's bid for the LCRI of \$8,708.00 only and exclude the \$7,188.00 bid for meter replacement. Shauna 2nd. Motion passed.

Discussion: Kenneth explained the removal of meter replacement is due to suspicion that Zenner meters are very sensitive to position and have to be perfectly level in order to read. He further explained that this is based on his observation of the master meter's erratic operation. Zenner's response to this issue was "this is normal and due to the orientation of the meter not being perfectly level". Kenneth believes that it would be in KCWSC's best interest to collaborate the meter selection and replacement with a suitable buyer of KCWSC, that might have a preference of meter replacements. Kenneth has communicated this with Zenner that we are more focused on LCRI and finding a suitable buyer at this time.

Kenneth will draft a contract between David and KCWSC and send out for Board review.

5. OLD BUSINESS

A. Liability Insurance Review: Kenneth briefed the Board that there is no new information from the insurance agent from Aars and Nelson reviewing our coverage. They have not yet been able to find a provider.

B. Lead & Copper Rule Revision Update-No other discussion or actions as the subject had been addressed in the above new business.

C. Capital Improvements:

1. Fence & Site work-The fence contractor is scheduled to begin work on Monday, July 17th and expected to take 2-3 days. The adjacent neighbors will be notified to expect the activity and the exclusive right use of our driveway.

2. Meter Replacement-Review alternatives to current proposal from Zenner. Kenneth informed the Board that two other meter manufacturers had been recommended by companies expressing interest in the purchase of KCWSC.

A&V Water Resources recommended Deihi ultrasonic meters and SWWC recommended Badger magnetic meters.

A&V provided (3) estimates, since they are interested in doing the work too. 1). "Radio Read"=\$36,710; 2)."AMX Cellular AMI"-\$51,689.; 3). "Drive by" \$57,409. Kenneth cannot explain the significance between these proposed options.

Discussion: Shauna indicated she has heard of Deihi, but was not familiar with ultrasonic type. Kenneth explained that the ultrasonic meters do not have moving parts, therefore, are not subject to inaccuracy due to physical wear or contaminants. His concern with the Deihi meters is that they are sealed and offered no field serviceability. If there is a problem with the meter or battery, the meter had to be replaced. Bruce stated that Badger had a good reputation and well known. Kenneth recommended that the Board not take any specific action at this time. More research needed.

3. Pump House-no discussion

D. Operational Status

1. Well status (head, gpm, etc)-Kenneth informed the Board that the last check on the GPM was 33.2 on July 4th. He raised concern that the master meter was not accurate and gave evidence from a recent Director's Report where there was a recorded positive water loss (more water sold than was pumped). Bruce also commented that he had seen the meter acting very strange and distrusted it. Kenneth has also seen where comparing the short-term reading, which is calculated on 100 gallons had yielded significantly different results than the long-term calculation based on several thousand

gallons.

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2. Status of selling KCWSC

SWWC NDA and Information Release-Pam motioned to sign the NDA. Bruce 2nd. Motion passed.

Discussion: Kenneth briefed the Board on an impromptu meeting with Randy Young, Director of Corporate Development. Randy was a few miles away at a neighboring water system that SWWC is purchasing and requested to meet while in area. He is very impressed with KCWSC and expressed a desire to meet with the Board. The Board agreed to set up a meeting.

Kenneth shared with the Board the list of companies that are or have been identified as purchasing water systems in Texas.

The companies contacted:

- **A&V Water + Utilities - contacted on 06-23-23 by telephone, met with Tanner mmdyy and discussed meters. A&V is not interested in purchase or management, but is interested in providing services.
CSWR Water Systems - CSWR presented KCWSC with low offer last year. Still very interested in purchasing KCWSC. emailed LOI on 06-27-23. Responded with interest and requesting a site visit.**
- **Southwest Water Company - <https://www.swwc.com/texas/> Located in Texas. Operating in 7 states. 161 systems in Texas. sent LOI by web-form on 06-27-23. Very professional and informative website. Met with Randy on 07-06 on short notice. Randy was impressed with system and stated that SWWC was very interested in our system because they have several other systems in the immediate area. They have requested we sign a NDA and provide them with company information. David Posten is familiar with SWWC and seems to be impressed with the company. Prefer Badger meters.**
- **Aqua Water Services - <https://www.waterbyaqua.com/privatization-by-state/texas/> contacted by phone, sent LOI by email 06-27-23. Have shown no interest.**
- **Patterson Water - <https://pwg.services/> spoke to Heath Mitchell who proposed managing KCWSC. will work on a proposal for management and inquire about the interest to purchase. 062723, Heath responded that Patterson Water is not interested in purchasing nor managing KCWSC.**

Pam Kellan had obtained a list of companies Raftelis Advisor firm that may be potentially interested in KCWSC. Kenneth shared the research he had on each of these companies.

- **American States Water Co.
<https://americanstateswatercompany.gcs-web.com/>
California company with minor presents in far west Texas.**
- **American Waterworks, Inc.
Could not find a website, PUC only shows activity in Montgomery County.**
- **California Water Service Group
<https://www.calwatergroup.com/our-service-areas/texas-water-service>
Systems concentrated between Austin and San Antonio**
- **Essential Utilities, Inc.
<https://www.essential.co/about>
Appears to be tied to AQUA which has subsidiary AquaTexas. AquaTexas has been contacted but have shown no interest in KCWSC**

- **Global Water Resources, Inc.**
<https://www.gwresources.com/>
Located in Arizona. Has 11 subsidiaries. Public company traded on Nasdaq (QWRS)
- **Middlesex Water Company**
<https://www.middlesexwater.com/>
Located in New Jersey. Has 6 subsidiaries. Public company traded on Nasdaq (MSEX).
Primarily in New Jersey and Delaware.
- **SJW Group**
<https://www.sjwgroup.com/>
Located in California. Has 5 subsidiaries. Public company traded on NYSE (SJW).
Texas subsidiary: <https://www.txwaterco.com/> (14 systems in central Tx around Austin)
- **York Water Company**
<https://www.yorkwater.com/>
Located in Pennsylvania. Public company traded on Nasdaq (YORW).

5. **CLOSED SESSION BUSINESS** (5 minutes).....Kenneth
None

6. **TAKE ACTION**

1. Review motions and action items from Minutes-none
2. Adjourn Open Meeting
Ron moved to adjourn. Shauna 2nd Motion passed.
Meeting adjourned: 7:55pm



Kenneth Eubanks, President



Pam Kellan, Secretary