



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2019 - 2020 Board of Directors:
Joe Gimenez, President
Bill Earnest, Vice President
Mike Nelson, Secretary/Treasurer
Patricia Gerino, Director
Dorothy Taylor, Director

Windermere Oaks Water Supply Corporation (WOWSC) Special Members Meeting held: Saturday, December 14, 2019 at the Spicewood Community Center

2019 - 2020 Board Members Present: Bill Earnest, Patricia Gerino, Joe Gimenez, Mike Nelson, Dorothy Taylor

Minutes

The meeting was called to order at 9:05AM by Bill Earnest. A quorum was established with all five Board Members present. Joe Gimenez recused himself.

1. Comments from citizens and members who have signed sign-up sheet to speak (3-minute limit per person).
 1. Patti Flunker
 1. Provided handout to meeting attendees
 2. Patti has been a WOWSC member for ~15 years
 3. Directors should know governing documents. Stated today's meeting established a quorum of Directors but not of the Members and that this is a Special Members Meeting.
 4. Joe Gimenez stated in his application to become a WOWSC Board Director that he read and understood the By-Laws and governing documents. But Joe did not know WOWSC was a 501C-12A at the deposition.
 5. Articles trump By-Laws.
 6. Article states that no corporation income is to be distributed to members, directors, or officers.
 7. No directors had signed conflict of interest policy document.
 8. Directors don't follow our governing documents
 2. Bruce Sorgen
 1. Does anyone know what a water co-op is?
 2. You own WOWSC and the Board works for you.
 3. Joe Gimenez did not know what a water co-op was.
 4. This Board gave away a road. It was stuck in the deal.
 5. Joe did not know where the road was.
 3. Danny Flunker
 1. Members called their own Special Members Meeting in November.
 2. Board informed our tax accountant that the Board did not authorize the members' request for help.
 3. WOWSC's attorney is present at today's Special Member Meeting.
 4. Removal ballots were sent to WOWSC members.
 5. Removal process is a farce.
 6. This is the most corrupt Board ever to serve.
 7. Current Board should be removed.
 4. Dorothy Taylor
 1. It's a sad day in Windermere. Not a single person who signed the removal petition submitted an application to be on the WOWSC Board of Directors.
2. Hearing on Joe Gimenez Removal Petition: Bill Earnest read the following prepared statement on meeting procedures.

My name is Bill Earnest. I'm the Vice President of the Windermere Oaks WSC, and by resolution of our Board of Directors I was appointed as Presiding Officer over the Removal Petition of Director Joe Gimenez which was submitted to our Board by some of our members in October.

I'd like to lay out a few procedural rules to help this proceeding run smoothly. I've developed these rules in compliance with the petition process as established in our Bylaws and in consultation with our legal counsel. They are as follows:

i. Time

1. The Petitioners and Director Gimenez shall each have one hour to make their cases regarding the petition.
2. This time includes any opening statement, all questions and cross examination of witnesses, and any closing arguments. The parties may choose to use their time as they see fit.
3. I will ask for each party to state the names of the witnesses they will call before getting started. This will allow the Petitioners and Director Gimenez to decide how much of their time they'd like to reserve for cross-examination of witnesses. I will note that neither the WSC nor any of the parties here today has the legal power to compel anyone to testify – all witnesses who testify today do so voluntarily.
4. I will keep track of time for both parties, and will be glad to provide time updates upon request. I will also provide a “ten minute warning” to each party when they reach 50 minutes of their allotted hour.

ii. Order

1. The Petitioner, via their designated Representative, shall go first. The Petitioners' Representative shall make an opening statement if he or she desires, present any evidence and/or witness testimony, and may make a statement in closing if they wish.
2. Director Gimenez shall follow the Petitioners. Director Gimenez may also ask questions of any witnesses called by the Petitioners during the presentation of their case, but any time questioning such witnesses will count towards Director Gimenez's hour and not the Petitioner's time.
3. Again, if the Petitioners wish to question any witnesses called by Director Gimenez, they may do so, but their Representative needs to be sure to reserve time during their direct case to do so. Any questioning of witnesses called by Director Gimenez by the Petitioners shall not count against the time allotted for Director Gimenez's case.

iii. Scope

1. The scope of this hearing shall encompass evidence and witness testimony surrounding only the charges brought against Director Gimenez as such charges were stated in the petition to remove him. This provision in our Bylaws prohibits charges being added after a member signs an accompanying petition in order to avoid a situation where a member who signed the original petition *doesn't* agree with or support charges added after the fact, for example charges based on allegations or conduct a member knows to be untrue.
2. Again, this requirement comes directly from our Bylaws, and exists to ensure that any and all members who signed the petition were explicitly aware of the specific charges being brought against Director Gimenez and the grounds for his proposed removal. By signing the petition, a member indicated his or her support of those charges, or at least their support to hear evidence and testimony regarding those charges through the procedure in this meeting.
3. As the Presiding Officer I will determine at any time if/when the scope of evidence or witness testimony presented goes beyond the charges presented in the petition. Any such evidence or testimony should not be considered by members voting on this petition.

iv. Conduct

1. I expect both Director Gimenez, the Petitioners' Representative, and all members present today to conduct themselves in a respectful and courteous manner. At no time shall there

be any outbursts or interruptions from the crowd during the time allotted for the Petitioners or for Director Gimenez to make their respective case. Each side must have the opportunity to make their case without interruption or interference.

1. Presiding Officer, Bill Earnest, stated charges brought in petition and discussed all hearing rules and procedures.
 1. Charges: Joe Gimenez fiduciary duties are compromised in representation of the members as President on both the WOPOA/WOWSC in addition to elected as Public Information officer that he receives \$5,000 annually from WOWSC.
2. Presiding Officer, Bill Earnest, makes predicate Findings of Fact for record.
 1. On October 9, 2019, a petition to remove Director Gimenez from various members of Windermere Oaks WSC was submitted to the Board.
 2. Article VIII, Section 9 of our Bylaws require the signatures of 10% or more of WSC members in order to bring a valid removal petition against a director.
 3. 63 members signed the Petition to remove Director Gimenez. 63 is over 10% of our membership and thus the petition is valid.
 4. Our Bylaws require that the charges alleged against a director sought to be removed must be accompanied by the corresponding petition. Bylaws Article VIII, Section 9.
 5. The grounds stated for removing Director Gimenez as indicated in the petition were:
 1. "Joe Gimenez fiduciary duties are compromised in representation of the members as President on both the WOPOA/WOWSC in addition to elected as Public Information officer that he receives \$5,000 annually from WOWSC."
 6. Notice of the charges against him were provided to Director Gimenez within 20 days of this hearing in accordance with Bylaws Article VIII, Section 9.
 7. The attempted special membership meeting on Saturday November 23, 2019 was not called in accordance with WOWSC Bylaws. Our Bylaws allow for members to call and hold a special membership meeting. However, there is a requirement that a writing setting that meeting be filed with the WOWSC secretary and signed by the requisite number of members to call a special membership meeting. No such writing for a special membership meeting was ever filed.
 8. Notice of today's special membership meeting was provided to our members on December 3, 2019, over 10 days but less than 50 days from the date of this meeting and thus in compliance with Bylaw Article VII, Section 3.
 9. Along with the notice of this special membership meeting, members were provided with a ballot to vote on the petition to remove Director Gimenez to be submitted by mail or hand delivery to WOWSC.
 10. Richard Crow is the election auditor and worked with the WOWSC manager to collect votes by mail and hand delivery to the WOWSC drop box. Those ballots have remained sealed upon collection and will be reviewed and tabulated at the close of this proceeding.
 11. Members in attendance today may also vote on the Removal Petition at the close of today's meeting.
 12. Article VIII, Section 9 of our Bylaws provides that a director may be removed by majority vote of all WSC members.
 13. Currently the WSC has 253 members, and thus 127 votes are needed to remove a director.
3. Opportunity for opening statement of Petitioner Representative, followed by opening statement of Joe Gimenez.
 1. No separate opening statements
4. Presiding Officer, Bill Earnest, calls Petitioner Representative to present case/question witnesses, subject to cross-examination.
 1. Petitioner Representative: Josie Fuller
 1. Josie does not plan to call any witnesses
 2. Josie is a WOWSC member
 3. Removal petition was signed by 63 WOWSC Members

4. Expects Directors to take fiduciary responsibilities seriously
5. Josie provided hard copy of charges to Bill Earnest and to some meeting attendees
6. Board was provided removal petition three times
7. Josie received email response from WOWSC attorney
8. Jose received WOWSC's members list 33 days after initial request
9. WOWSC did not communicate well to members regarding the Special Member Meeting for Removal Petition
10. Charges
 1. Charge 1:
 1. Joe made motion to receive \$5,000/year as WOWSC PIO
 2. Joe signed a WOWSC check that was payment to WOWSC's PIO
 3. Was G3 hired as WOWSC's PIO?
 2. Charge 2:
 1. No income from WOWSC corporation is to be paid to members, directors, or officers
 2. Articles trump By-Laws
 3. Charge 3:
 1. Joe is the WOWSC president
 2. Joe is also President of WO POA
 3. Joe is also the WOWSC PIO
 4. Joe brought to WOWSC Board a proposal for WOWSC to pay \$1500 for WO POA Board Director's grinder pump
 5. Prefers Joe only be Director on one of WO's two Boards and prefers he be on WO POA Board
 6. No one now wants to be on the WOWSC Board
 7. Several people have been kicked-off Boards by Joe Gimenez
 8. Joe acted without WOWSC Board approval to sue Texas Attorney General
 1. Double Horn Creek has spent ~\$400,000 in their lawsuit with the Texas Attorney General
 2. Josie is tired of the lawsuits
 9. Stand up for your rights
 10. Expect assessment fees to pay for legal fees
 11. Loss of our assets
 1. Gave away easement to Dana Martin for free
 2. Assets are now depleted
 12. Believes this will lead to public ownership of WOWSC
 13. Believes this will lead to depletion of WOWSC assets and then rate raises
 14. Believes Joe should step down as 63 members signed petition and met in November
 15. Should have established Members quorum at today's meeting. Self interest in Board and not community
 16. Your pocket books will pay for it.
5. Presiding Officer, Bill Earnest, calls Joe Gimenez to present case in response/question witnesses, subject to cross-examination.
 1. Joe provided handout to meeting attendees, containing PIO report and all Public Information Act requests received since March 9
 2. Joe believes in community service and is pleased to serve on both WO Boards
 3. Joe is sad that we are here today
 4. Our community has a spirit of outrage which is a shame
 5. Information spread throughout community is half-baked and meant to inflame and generate outrage
 6. Joe prays for our community to heal
 7. Nothing in WOWSC and WO POA By-Laws prevent a Member to serve on both Boards
 8. The Board requests assistance from our attorneys to ensure the Board operates properly to avoid another legal situation.

9. Received yesterday the final disposition of the TOMA lawsuit vs WOWSC from the Texas Supreme Court which denied the petition for review. WOWSC has spent ~\$40,000 this year in defense from this lawsuit.
10. Additional lawsuit is still being defended.
11. Being a board member of both WOWSC and WO POA does not violate Texas law.
12. There is a potential conflict of interest if WOWSC and WO POA were in disagreement on a topic. In such a case, Joe would recuse himself from that topic on both Boards.
13. Grinder pump
 1. Two WOWSC Members had issue with a failed waste water valve.
 2. First Member was able to shut-off their grinder pump and had no issues.
 3. The second Member was not present and was not able to shut-off their grinder pump.
 4. Joe brought proposal to Board on behalf of the second Member as he would for any Member.
14. Witness
 1. In response to questions from Joe, George Burriss confirmed:
 1. Joe coordinated activities between WOWSC and WO POA
 1. Pavilion water issue: Plumbing leaks inside of walls that Enrique repaired.
 2. Drainage issues this year: Engaged a Project Engineer who provided recommendations to clean ditches to improve drainage. Enrique completed the work.
 3. George mentioned WOWSC plant was dirty. Joe provided name of WO POA cleaning help who was hired by WOWSC and has been doing good work.
 4. Worked with Jeff Hagar on ACC to understand Center Cove 1 easements.
15. Why does Joe take on all of these positions?
 1. Joe learned from his Jesuit schooling to be a man for others.
16. Joe responded to Ms. Fuller's saying that "Several people kicked off the Board."
 1. Norm Morris missed six consecutive meetings. Bylaws allow for removal after someone misses three consecutive meetings.
 2. David Bertino resigned on his own accord.
17. Joe Responded to Ms. Fuller's concerns about Joe signing check to G3 Public Relations, his company:
 1. Three Board Officers, President, Vice-President, and Secretary / Treasurer have WOWSC check signatory authorization.
 2. G3 Public Relations is his DBA ("does business as" assumed name):. Joe is registered at the Burnett County Court house as G3 for tax reasons. G3 is the same as Joe Gimenez in the eyes of the law. Joe wants clear distinction between business and personal income for tax purposes and invoices as G3 Public Relations for that reason, but accountant has lately been paying checks as Joe Gimenez
 3. When George Burriss needs WOWSC checks signed, he finds which of the three Board Officers is available to sign the checks.
 4. Joe heard our Members request that he not sign checks made to him or G3 and is complying with that request.
18. Bill Earnest: Joe stepped-up to be PIO when no one else volunteered to be PIO.
19. PIA requests:
 1. Lists do not have be created for requests when the requested lists do not exist.
 2. There are many rules and restrictions on PIA requests.
 3. WOWSC's ongoing litigation makes it difficult to respond to PIAs and requires attorney review.
 4. Prior to WOWSC's Y2019 election on March 9, 2019, WOWSC received a total of four PIA requests.
 5. Received PIA request March 19th.
 6. Received PIA request March 20th
 7. Received PIA request March 21st.

8. Joe read two of the first PIA requests. One for key roster list. Another asking canceled check and minutes agendas. Joe noted that he passed the minutes and agenda to the requester for that time period but that person wanted Joe to read all the minutes and agendas and provide the specific instance he requested.
 9. Joe raised at the March 29th WOWSC Board meeting that WOWSC needed a PIO and that he did not want to be the PIO. Joe was elected as temporary PIO as no other Board Member (Bill Earnest, Mike Nelson, David Bertino, Norman Morris) would accept the role. Joe noted that Bill and Mike already had officer duties but Bertino and Morris did not.
 1. Attorney cost to respond to PIA request is ~\$150/hour, so Joe noted the savings of paying \$416/month.
 10. By July 10th, 19 PIA requests had been submitted since the election.
 11. At the July 10th WOWSC Board meeting Joe proposed our WOWSC PIO be paid to respond to PIAs. WOWSC By-Laws state that Officers may be paid for services rendered. Joe asked our attorneys if as PIO he could be paid and our attorneys confirmed it.
 12. Joe stipulated that payment would only be made in months where PIA requests were worked on.
 13. Payments to our PIO are an expense of WOWSC and are not dividends or interest.
 14. ~45 PIA requests have been received since the March 9th election
 15. Joe has received \$2,090 from WOWSC for PIO work
 16. Joe is committed to be a servant and working as our WOWSC PIO for Members PIA requests
 17. Our attorneys researched and found estimate of \$83,000 yearly salary for a full-time PIO
 18. WOWSC money is being saved by Joe being our WOWSC PIO
 19. Some of the PIA requests are repetitive, demeaning, and harassment
 20. Joe will continue to work with Board Members and attorneys to serve properly and in the best interest of the WOWSC
6. Opportunity for closing argument of Petitioner Representative, followed by closing argument of Joe Gimenez.
 1. Josie Fuller
 1. Board has fiduciary duty to WOWSC
 2. Board should have reached out to our community regarding suing Texas Attorney General
 3. A three-minute video from Joe's seven-hour deposition was shown
 4. WOWSC hired attorneys who do not provide proper guidance
 5. Josie is not certain why the WOWSC attorney is present today
 6. Josie wants Joe to step down
 7. Josie does not see why Joe should serve on both Boards
 8. Board has fiduciary responsibility for WOWSC
 9. Josie encourages the WOWSC Board to do the right the thing
 10. There are many new WO residents who could be WOWSC Board Directors
 2. Joe Gimenez
 1. Responding to Fuller's comments about suing the attorney general, Joe said a PIA request was received for WOWSC's attorney bills. WOWSC's PIA response had copies of the bills with redaction to item descriptions with legal strategy based upon attorney client privilege due to ongoing litigation. The requester would not accept redacted invoices. The PIA requestor submitted a complaint to the Texas Attorney General regarding the redactions. The Texas Attorney General responded that some redactions were proper and others were not. Our WOWSC attorneys requested a judge to rule on the Texas Attorney General's response regarding the redactions. Protecting the work product of our attorney-client privileged information is the default position of the corporation and acting upon the advice of counsel Joe took the actions he did. Our WOWSC Board ratified defending our attorney client privilege.
 2. Please contact our WOWSC Board when you have questions
 3. Joe hopes the lawsuits will end soon.
 4. Joe heard yesterday from the Texas Supreme Court that one of the lawsuits has ended.

5. Board is looking at WOWSC's five-year plan
 6. WOWSC received a \$14,000 grant from the LCRA for water conservation projects. Board projects a 3% return on the money for these projects (\$32,000).
 7. Dorothy was a volunteer working on the LCRA grant prior to returning to the WOWSC Board.
 8. Joe thanked members for their attendance and asked them to vote against removal.
3. Presiding Officer, Bill Earnest, declares that a quorum of WOWSC members are present, makes a final call for submission of ballots and vote counting begins.
 1. Quorum of WOWSC Members are present
 2. Final call for ballots
 3. Ballot counting started at 10:36AM
 4. Ballot counting ended at 10:55AM
 4. Independent Election Auditor, Richard Crow, submits official report to Presiding Officer, Bill Earnest, and recall petition vote results announced.
 1. Independent Election Auditors: Janet Crow, Richard Crow, Janie Richardson, Marsha Westerman
 2. Ballots cast in person: 28
 3. Ballots cast prior to election: 68
 4. Total number of ballots cast: 96
 5. Total number of ballots not counted due to defects: 0
 6. For removal of Joe Gimenez: 56
 7. Against removal of Joe Gimenez: 40
 8. Currently the WSC has 253 members, and thus 127 votes are needed to remove a director.
Joe Gimenez was not removed from the WOWSC Board of Directors.
 5. Meeting adjourned at 11:01AM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on January 23, 2020

Billing Questions: (830) 598-7511 Ext 1
Water or Sewer Emergency: Phone (830) 598-7511 Ext 2