



# 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  
David Bertino, Director  
Norman Morse, Director

**Windermere Oaks Water Supply Corporation (WOWSC) meeting held: Wednesday, May 8, 2019**

**2019 - 2020 Board Members Present: David Bertino, Bill Earnest, Joe Gimenez, Mike Nelson**

## Minutes

The meeting was called to order at 6:02PM by Joe Gimenez. A quorum was established with four Board Members present.

1. Review, consider and take action to approve minutes of prior meetings.
  1. April 15, 2019 Board Meeting
    1. Motion made and carried to approve April 15, 2019 Board Meeting minutes
2. MANAGER'S REPORT – Review, discuss and take any appropriate action.
  1. Move made to table manager's report this meeting per feedback from member on meeting notice agenda specificity.
  2. In the future, the agenda will include Manager's Report on operations, billings, regulatory issues, budget, special projects, etc.
3. CHIEF ADMINISTRATORS REPORT --Review, discuss and take any appropriate action.
  1. At our March 14<sup>th</sup> Board Meeting, Joe provided a draft business operations table he generated.
  2. George and Dorothy worked on WOWSC's business operations table 'Management Scheduling 2019' to organize WOWSC business items.
  3. Joe plans to post 'Management Scheduling 2019' on our WOWSC website after discussing contact information with our attorney.
  4. The Texas Public Information Act states a water supply corporation's Chief Administration Officer (CAO) is automatically the Public Information Officer (PIO).
  5. Joe is WOWSC's PIO.
  6. Motion made and carried to approve Joe Gimenez as WOWSC Chief Administration Officer.
4. APRIL FINANCIALS REVIEW – Review, discuss and take any appropriate action.
  1. George handed out hard copies of WOWSC's April 2019 Financials.
  2. Standby fees are due by the end of January each year. In the budget the standby fees are spread out across the year.
  3. Insurance was paid in April and was less than budgeted.
  4. Joe to email Mike the April 2019 Financials.
5. REVIEW AND APPROVE UPDATED BUDGET INCREASING LEGAL FEES EXPECTATION FOR 2019 -- Review, discuss and take any appropriate action.

1. Legal fees in March and April were ~\$7,500 each month versus \$3166 per month budget.
    1. March was higher from the initial meeting between our newly elected Board Members and our legal team.
    2. April was higher from work on PIA requests and review of Van Eman's airport construction.
  2. Upcoming legal fees include the appeal response.
  3. Potentially reduce maintenance costs to offset legal expenses over the budget amount. Repairs & maintenance expenses were less than anticipated through April, but they will probably even out over the course of the year.
  4. Potential additional revenues from the higher rates may cover some of the unbudgeted legal expenses.
6. UPDATE ON REFINANCING BALLOON NOTE AND REVOLVING LINE OF CREDIT
1. Lone Star Bank discussion: \$375,000 fixed loan with 10-year amortization with seven-year balloon at prime rate (~5.5%) with no origination fees and possibly no appraisal. ~\$4070 per month payment
    1. \$250,000 remaining on existing WWTP loan
    2. \$125,000 high side of generator loan
    3. Commercial loan
    4. Don't know what the balloon payment would be
    5. Would need to move all WOWSC accounts to Lone Star Bank
  2. Co-bank presented to Joe a 4.75% fixed loan with potential 0.5% rebate after one year at the
  3. First United Bank indicated a refinance would be at prime rate (~5.5%)
7. CONSIDERATION OF PURCHASE ON UPDATED BIDS ON GENERATORS– Review, discuss and take any appropriate action.
1. Joe Rizzo from Capital Power Systems generated initial pricing options and plans to provide hardened itemized quotes next week. Quotes are to include all subcontractors and piece parts.
    1. Kohler 125KW Diesel Installation \$63,275
    2. Kohler 125KW Propane Installation \$66,275
    3. Cummins 125KW Diesel Installation \$66,500
  2. Diesel generators should not be considered because of:
    1. higher maintenance costs
    2. diesel fuel goes bad over time and requires stabilizer
  3. Propane does not go bad over time and is not as destructive as diesel to the generator
    1. Spicewood does not get cold enough for propane to freeze
  4. May need to include a heater
8. DISCUSS POSSIBLE DATES FOR PRESENTATION BY NEWGEN STRATEGIES– Review, discuss and take any appropriate action.
1. TRWA does not have a financial strategist and recommended Grant Rabon of NewGen Strategies
  2. Joe recommends having Grant present on overview of NewGen Strategies to our Board.
  3. Monday, May 13<sup>th</sup>, Thursday, May 16<sup>th</sup>, Monday, May 20<sup>th</sup>, or Thursday, May 23<sup>rd</sup> could work for Grant.
    1. Monday, May 13<sup>th</sup>, and Thursday, May 16<sup>th</sup>, do not work for Board members.
    2. Monday, May 20<sup>th</sup>, at 6:00PM, at WO Pavilion was proposed. Joe to confirm with Grant.
9. PUBLIC INFORMATION OFFICER REPORT – Briefing on recent and pending records requests under the Texas Public Information Act (PIA).
1. Received fewer PIA requests in the past four weeks versus initial weeks after the Annual Member meeting in March.
  2. Added degrees of specificity in PIA requests will greatly help.
10. Comments from citizens and members who have signed sign-up sheet to speak (3-minute limit per person).
1. Mark McDonald
  2. Danny Flunker
  3. Rene Ffrench

11. New business and discussion and possible action on agenda for next meeting.
  1. Add specificity to Manager's Report agenda item
  2. Commercial loan for refinance of existing WWTP loan and for generator
  3. Airport property owned by WOWSC with regards to holding pond
  4. Open lot in Center Cove 1
    1. Lots in Center Cove 1 are in a commonly owned area.
    2. At the street, the corners of an open lot are very close to the neighbors' homes.
    3. A previous builder allowed two non-adjacent homes to share the same grinder pump. The sewage lines are crossing the open lot.
    4. The owner of the open lot requested WOWSC forfeit our 5' easement on the open lot used for water and sewage pipes.
  5. Update to Board on responses to the demand letters
  6. Review of May Financials
  7. NEWGEN action if any after Grant Rabon's presentation
  8. Review of foot notes for posting of agenda
12. Set date, time, and place for next WOWSC Board Business meeting
  1. Wednesday, June 12<sup>th</sup>, at 6:00PM, at WO Pavilion
13. Motion made and carried to adjourn at 7:05PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on May 20, 2019