



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, July 10, 2019

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

Minutes

The meeting was called to order at 6:05PM by Joe Gimenez. A quorum was established with three Board Members present.

1. Review, consider and take action to approve minutes of prior meetings.
 1. June 12, 2019 Board Meeting
 1. Motion made and carried to approve June 12, 2019 Board Meeting minutes
2. MANAGER'S REPORT –
 1. FEMA Application – Report on meeting regarding grant application for reimbursement of \$25,000 deductible plus administrative fees.
 1. George received email from FEMA supervisor on the grant application. He received confirmation to move forward. He is reviewing our insurance policy. Dorothy submitted all grant paperwork.
 2. Total barge repair was just above \$60K. Insurance deductible is \$25K.
 3. George received an initial insurance settlement offer for the barge repairs which looks incorrect and will follow-up with our insurance agent. We expect insurance to pay ~\$35K.
 4. George's understanding is that FEMA may reimburse up to 75% of the \$25K deductible.
 2. TRWA ASSISTANCE – Whistle blower policy, record retention policy, review of financial and 5-year-plan.
 1. George to follow-up with TRWA. TRWA folks were attending a National Rural Waters conference in Florida.
 2. Records are kept in compliance with state law, and TCEQ regulations.
 1. Corix maintains records of TCEQ reports, and lab results.
 2. WOWSC maintains records of meeting agenda and minutes.
 3. NEW PLANT FOR BARTON CREEK LAKESIDE, LAKE CLIFF, ETC. – Update on developments.
 1. George handed out an article.
 2. WOWSC can treat up to ~300K gallons per day.
 3. Aqua Texas is planning to construct a surface water treatment plant at Barton Creek Lakeside near Pedernales inlet to Lake Travis.
 4. Building and running a surface water treatment plant is new for Aqua Texas. Their other plants are well water plants.
3. EFFLUENT WATER AGREEMENT WITH SPICEWOOD AIRPORT PILOTS ASSOCIATION
 1. Review, consider and take action to enter agreement with SAPA for provision of effluent water for grass runway, at no cost to WOWSC and in view of growth of taps and the area in general.
 1. SAPA has collected money from their members for building an irrigation system to water their grass runway.
 2. Joe has had several meetings with the President of SAPA.

3. Proposal – Joe read the pre-amble to the proposed contract:
 1. No cost to WOWSC to build the SAPA irrigation system. Estimated cost to SAPA in \$15,000-20,000 range.
 2. Expands area for effluent water disposal / irrigation
 3. It would be a ten-year agreement with re-negotiation after ten years. Such agreement for time period would provide adequate return on investment to SAPA for irrigation of their grass runway.
 4. If WOWSC needs the effluent water, WOWSC has the right to stop providing effluent water to SAPA.
 1. George to work on this section of the contract regarding scarcity of water issue.
 2. Drought contingency plan has four trigger levels of Lake Travis water level. George agreed to work with SAPA for development of this section.
 5. Motion made and carried for Joe to continue working with SAPA, George, and our legal team on developing a contract.
 6. Costs to SAPA include WOWSC’s legal, engineering, etc.
 4. WOWSC has enough land for effluent water disposal / irrigation and does not need the added area.
 5. TCEQ prohibits disposal of effluent water into rivers and lakes.
 6. Effluent cannot be irrigated on fields where children play. (per past efforts by Windermere Oaks POA to use EW on common area around pavilion/tennis court).
 7. Effluent pipes cannot be in the same trenches as treated water.
 8. George said regulations have changed over the years regarding size of fields needed to treat EW. Bigger fields have always been needed.
4. MEMBER COMMUNICATION – Review and approve letter to WOWSC members regarding current condition and concerns of the company.
 1. Copies were provided of letter which Joe, Dorothy, and our legal team generated. Joe read the letter out loud.
 2. Back-up generator quote for \$70K.
 3. Rate increase has helped financials.
 4. Motion made and carried for Joe to update legal costs to \$63K through May and then to publish the letter.
 5. FINANCIAL REPORT – Treasurer Mike Nelson to discuss monthly financial reports.
 1. June Income: \$34.8K
 1. June Water + Sewer = \$25.8K
 2. Jan - Jun Water + Sewer at \$168.3K of year to date (YTD) budget \$177.5K
 3. Y2019 Equity Buy-in Fees at \$27.6K of annual budget \$27.6K
 4. Y2019 Water & Sewer Taps at \$12.1K of annual budget \$10.4K
 2. June Expenses: \$50.9K
 1. \$26.4K legal fees paid in May
 3. June Net Income: -\$16.1K
 4. YTD Legal/Appraisal at \$48.5K of annual budget \$38.0K
 5. Y2019 Barge Storm Damage Repairs = \$42.7K
 6. Y2019 Water + Sewer Repairs at \$12.8K of budgeted \$45.0K
 7. Joe requested June 2018 ratios comparison to June 2019 ratios
 1. *May ratios:*
 1. *DSCR: 0.89*
 2. *Debt to Equity: 0.17*
 3. *Days of Cash on Hand: 163 days*
 2. June 2018 ratios:
 1. DSCR: 1.27
 2. Debt to Equity: 0.20
 3. Days of Cash on Hand: 151 days

3. June 2019 ratios:
 1. DSCR: 0.16
 2. Debt to Equity: 0.17
 3. Days of Cash on Hand: 149 days
8. Motion made and carried to accept June 2019 Financials report.
6. LOAN OFFER FROM COBANK– Review, consider and take action to approve loan offer.
 1. No update.
 2. Keep on agenda
 3. COBANK used \$500K as the loan amount to gain approvals and for working with our legal team.
 4. Joe has not heard back from Lone Star Capital Bank.
7. GENERATOR PURCHASE – Review, consider and take action to approve purchase.
 1. Three to four months for delivery of new generator.
 2. \$63,285 quote for equipment and installation
 1. Sales tax not included in quote.
 2. Kohler propane generator rated at 150KWHours
 3. Does not include propane tank and installation → \$7000 quote
 4. Need legal team to advise if we pay sales tax
 1. If so, at what rate
 5. Total = \$70, 285 plus tax
 6. Generator maintenance service contract quote for \$1500/year
 7. Motion made and carried for George to purchase Kohler propane generator, propane tank, installation of both, and service contract.
8. PRE-TREATMENT FACILITY UPGRADE – Review five-year plan items, especially need for pre-treatment facility upgrade, and consider using loan proceeds for improvement plan.
 1. WOWSC’s original water treatment equipment was used equipment.
 2. Water pretreatment was built without redundancy
 3. We are still using the original used equipment for pretreatment
 4. TCEQ requires pretreatment of water before final treatment
 5. Our water treatment plant was upgraded in 2007
 6. Our wastewater treatment plant was built in 2014
 7. George is generating plans for replacement of our original used pretreatment equipment with two new smaller / redundant pretreatment lines.
9. POLICY FOR RECORDING MEMBER COMMENTS IN MINUTES – In light of concerns regarding documentation of public comments in WOWSC meeting minutes, the Board will consider guidance from legal counsel and take possible action thereon.
 1. Joe asked legal team for guidance. Legal team advised listing individuals comments with brief topic descriptions.
 2. Board discussions are captured under agenda item meeting notes.
10. INSTITUTE NEW POLICY FOR TIME LIMITS ON PUBLIC INFORMATION ACT REQUESTS – In view of multiple Public Information Act requests submitted to WOWSC and the time and costs involved in responding, the Texas Public Information Act allows certain limitations. The Board will consider guidance from legal counsel and possibly act to establish a time limitation.
 1. A governmental body may establish reasonable monthly and yearly time limits on the amount of time that personnel of the governmental body are required to spend producing public information without recovering its costs attributable to that personnel time.
 2. Legal advice was to adopt a policy with a 36-hour maximum limit on hours expended by personnel per requestor per fiscal year.
 3. Motion made and carried to adopt a policy with a 36-hour maximum limit on personnel time per requestor per fiscal year.

11. CONSIDER REMUNERATION FOR PUBLIC INFORMATION OFFICER DUTIES – In view of numerous PIA requests, the ongoing training needed for performing PIO duties, and the civil and criminal penalties which may be incurred by a PIO, the Board will consider legal guidance from counsel on paying for performance of PIO duties as authorized by WOWSC bylaws.
 1. Joe was appointed WOWSC PIO in March and has received ~50 PIA requests. He had asked Norm Morse and David Bertino to accept the duty but they did not.
 2. Legal team reviewed corporation bylaws and affirmed that bylaws allow payment of \$5,000 salary for Board members by approval of the Board. (Article 9, section 8 – Compensation)
 3. Joe works with our legal team on scheduling PIA requests. The requests have been fulfilled per state timelines.
 4. Joe described time involved in executing duties of PIO, including scheduling with attorneys, working with attorneys on legal review, sending emails and making phone calls to personnel, vendors, former Board members who may have information, and correspondence with PIA requestors. The Board has seen many if not all the requests and some follow-up correspondence.
 5. Motion made and carried for a PIO to be paid \$416/month, for the type of duties already performed through emails, phone calls etc to fulfill the requests, with stipulation that payment may end when number of Public Information Act requests significantly decrease.
12. Comments from citizens and members who have signed sign-up sheet to speak (3-minute limit per person)
 1. Danny Flunker – Question regarding payment for PIO duty.
13. New business and discussion and possible action on agenda for next meeting.
 1. Manager's report
 1. Generator purchase
 2. TRWA assistance
 3. Pretreatment project update
 4. Center Cove 2 update: Request was made for easement release for lot under home construction
 5. Five-year plan: Water re-use
 2. Loan approval
 3. SAPA agreement
 4. Financial report
 5. Executive session as needed for legal update
14. Set date, time, and place for next meeting
 1. Wednesday, August 21st, at 6:00PM, at WO Pavilion
15. Motion made and carried to adjourn at 7:30PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on September 4, 2019