



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, September 18, 2019

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

Minutes

The meeting was called to order at 6:16PM 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. August 21, 2019 Board Meeting
 1. Updates:
 1. Section 5.3.1.4 → from: fiducial to: fiduciary
 2. Section 8.3.1.6.1 → add '~' before \$1568/month
 2. Member Comment: No comments
 3. Motion made and carried to approve the August 21, 2019 Board Meeting minutes with above updates
 2. September 4, 2019 Board Meeting
 1. Member Comment: No comments
 2. Motion made and carried to approve the September 4, 2019 Board Meeting minutes
2. MANAGER'S REPORT –
 1. GENERATOR PURCHASE UPDATE– After approving purchase at July meeting, manager will provide update on contract, deposit, schedule.
 1. Joe handed out copies of generator proposal for Kohler Power Systems.
 2. Generator to provide emergency power for entire WTP
 3. Generator: \$63,785
 4. Tax: \$5262.26
 5. Not included: propane tank and concrete pad for generator
 1. George estimates ~\$10,000 additional for 1000 gallon propane tank and concrete pad for generator
 2. David proposed keeping the propane tank above ground behind the fence placed on cinder blocks
 6. Generator will not provide power to our WWTP.
 1. With power outage and no power to our members' grinder pumps, anticipate minimal demand on WWTP
 7. Board previously approved this project
 8. Contractor requested \$50% up front and submitted an invoice
 9. Joe proposed moving forward with this project
 10. Member Comment
 1. Josie Fuller: Special assessment to fund project? → Board's response: No

2. MEMBER REQUEST -- Consideration of member request for \$1500 payment for reimbursement of grinder pump system replacement due to alleged deadhead incident in June.
 1. Discussed at August 21st Board meeting.
 2. No evidence provided to determine why both grinder pumps failed.
 3. Member replaced his grinder pump system with a local plumber for \$4700
 4. Member requesting \$1500 reimbursement from WOWSC
 5. Member Comment
 1. Earl: How old were pumps? → Board's response: Member's letter said pumps were seven years old.
 2. Michele: Any settlement would need WOWSC lawyer's input and write-up
 6. Motion made and carried to not pay any settlement
3. COST ESTIMATES FOR PRE-TREATMENT FACILITY -- Progress on development of cost estimates for 5-year plan projects.
 1. Installed in 1995.
 2. Fifteen-year old estimate was \$150,000
 3. Current price estimate is \$400,000 to \$500,000 for more automated clarifier
 1. Cost of steel ~3X more than fifteen years ago
 4. Because of the price estimate, George is investigating other approaches to reduce cost
 1. Clarifiers require:
 1. Pumps for recirculating
 2. Partitions
 3. Bridge
 4. Special surface treatment when coating the tanks
 2. Conventional clarifiers require sophisticated operator knowledge versus new clarifiers
 5. George believes we will need to hire an engineer to draw up plans for presentation to TCEQ
 6. Member Comment: No comments
3. LOAN UPDATE – Update on status of application for loan with CoBank.
 1. At September 4th Board meeting approval was granted to move forward with COBANK loan application
 2. Given that George just learned the pre-Treatment facility upgrade price estimate is \$400,000 to \$500,000 versus old estimate of \$150,000, Joe proposed giving George additional time to investigate pre-treatment upgrade plans and pricing before moving forward with the COBANK loan application.
 3. Latest interest rate was lowered to 3.95%
 4. Consensus reached to hold off on moving forward with the COBANK loan application.
 5. Member Comment
 1. Gary Young: Fixed or variable rate? → Board's response: Loan ≥ \$100,000 have fixed rate
4. FINANCIAL REPORT – Treasurer Mike Nelson to discuss monthly financial reports.
 1. August Income: \$96.2K
 1. Barge Storm Damage Repair Insurance Claim: \$60.9K - \$1,000 deductible = \$59.9K
 2. August Water + Sewer revenue: \$36.9K
 3. Year to date (YTD) Water + Sewer revenue at \$237.0K of YTD budget \$236.7K
 4. YTD Equity Buy-in Fees revenue at \$36.8K versus annual budget \$27.6K
 5. YTD Water & Sewer Taps revenue at \$15.5K versus annual budget \$10.4K
 2. August Expenses: \$24.2K
 1. \$0.9K legal fees paid in August
 3. August Net Income: \$72.0
 4. YTD Legal/Appraisal at \$64.7K of annual budget \$38.0K
 5. YTD Barge Storm Damage Repairs: \$42.7K
 6. YTD Water + Sewer Repairs at \$16.1K of budgeted \$45.0K
 7. August 2019 Metrics:

1. Debt to Service Coverage Ratio (DSCR): 2.16

1. Three month rolling average: 0.91

2. Debt to Capital Ratio: 0.16

1. Three month rolling average: 0.17

3. Days of Cash on Hand: 220 days

1. Three month rolling average: 175

8. August 2018 Metrics:

1. DSCR: 0.77

2. Debt to Capital Ratio: 0.19

3. Days of Cash on Hand: 187 days

9. YTD income: \$84,500

1. ~\$75,000 ahead of YTD budget

10. Member Comment

1. Tony Riggins: Any income from builders? George's response: Yes. Builders pay equity buy-in fees for water and waste taps before installation.

11. Motion made and carried to accept August 2019 Financials report.

5. EFFLUENT WATER AGREEMENT WITH SPICEWOOD AIRPORT PILOTS ASSOCIATION – Consideration of contract, after review by legal, for agreement with SAPA for provision of effluent water for its grass runway. The addition of an effluent water field will come at no cost to WOWSC, in view of increased number of taps and regulators' history of requiring larger dispersal fields.

1. Joe handed out copy of contract

2. Joe read the following contract preamble:

1. SPICEWOOD AIRPORT & PILOTS ASSOCIATION AND WINDERMERE OAKS WATER SUPPLY CORPORATION EFFLUENT WATER USAGE AGREEMENT PREAMBLE

1. WHEREAS, the areas in and around the Windermere Oaks Water Supply Corporation ("WOWSC") service area are attracting new development and spurring population growth, demands for WOWSC's water service and sewage treatment capabilities may increase, requiring additional equipment and operational improvements;

2. WHEREAS, WOWSC currently has only one operational disposal field for its treated effluent water and WOWSC could offer effluent disposal services to other water utilities for a fee;

3. WHEREAS, the effluent water disposed by WOWSC is treated only to the lowest levels of regulatory acceptability and currently has no value;

4. WHEREAS, the Spicewood Airport & Pilots Association ("SAPA") is an airport and aviation association created to provide support, maintenance, and improvements to the Spicewood Airport, located at 111 Piper Ln, Spicewood, TX;

5. WHEREAS, SAPA raised money from its members for the improvement of its grass runway, particularly regarding an irrigation system for grass growth and maintenance; and

6. WHEREAS, for the purposes of irrigating its grass runway, SAPA desires to contract with WOWSC to arrange for effluent disposal on and around SAPA's grass landing strip, thereby providing SAPA needed irrigation and WOWSC with an additional location for discharge of treated wastewater effluent.

7. NOW THEREFORE, WOWSC and SAPA hereby enter an agreement on terms and conditions more specifically described below.
 3. WOWSC's legal team reviewed the contract
 4. Board members reviewed the contract and updates to it
 5. Contract has a ten-year period
 6. WOWSC and SAPA can enter into another agreement after the ten-year period
 7. Action Item: SAPA (Gary) to review \$5,000 up front cost for engineering study with SAPA members
 8. Does WOWSC monitor and / or regularly test the effluent water (EW)?
 1. Yes, WOWSC follows TCEQ's rules
 9. Member Comment:
 1. Danny Flunker: No cost to WOWSC
 2. Tony Riggins: Is there any competition for or other interest in WOWSC's effluent water? Board's response: No other interest
 10. Motion made and carried to approve contract providing WOWSC's effluent water to SAPA
6. CONFLICT OF INTEREST POLICY – After review of previous years' minutes, it has become apparent that a Board-ratified conflict of interest policy does not exist for WOWSC. Legal team has provided COI policy used by other water supply corporations, for review and approval.
 1. Joe handed out copy of Conflict of Interest Policy that was previously emailed to Board members for review.
 2. Joe displayed a poster board with statement from Bill Aleshire
 3. Member Comment: No comments
 4. Motion made and carried to adopt Conflict of Interest Policy
7. Executive Session under Texas Government Code § 551.071(1) and (2) regarding:
 1. Ffrench, et al., Intervenor-plaintiffs and Double F Hangar Operations, LLC, et al. v. Friendship Homes & Hangars, LLC, Windermere Oaks WSC, et al., Cause No. 48292, 33rd Jud. Dist., Burnet County Dist. Ct.; and
 2. TOMA Integrity, Inc., et al. v. Windermere Oaks WSC, Cause No. 47531, 33rd Jud. Dist., Burnet County Dist. Ct., on appeal at 6th Ct. of Appeals, No. 06-19-00005-CV
 1. Entered Executive Session at 7:15PM
 2. Exited Executive Session at 8:01PM
8. Consider and/or act on matters reviewed in the immediately preceding Executive Session agenda item.
 1. No action from Executive Session
 2. Member Comment: No comments
9. Comments from citizens and members who have signed sign-up sheet to speak (3-minute limit per person)
 1. No comments
10. New business and discussion and possible action on agenda for next meeting.
 1. SAPA contract update
 2. Pretreatment investigation update
 3. 108 Center Cove easement
 4. Manager's report
 5. COBANK loan application
 6. September 18th meeting minutes
 7. September financials review
11. Set date, time, and place for next meeting
 1. Wednesday, October 9th, at 6:00PM, at WO Pavilion

12. Motion made and carried to adjourn at 8:04PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on October 9, 2019

Billing Questions: (830) 598-7511 Ext 1

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