



# 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 4, 2019**

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

## Minutes

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

1. Rene Ffrench handed out a hard copy of an update to Texas House Bill #2840 that went into effect September 1<sup>st</sup>.
  1. The update enables members to comment on an agenda item prior to the Board voting on the item.
  2. Updated our Board meeting procedures to allow members to comment after Board discussion and before the Board votes on an item.
  3. AI: Ask our attorneys about adding to our Agendas a formal statement regarding H. B. No. 2840 - Joe
2. Review, consider and take action to approve minutes of prior meetings.
  1. July 10, 2019 Board Meeting
    1. Members' Comments: No discussion from members on July 10<sup>th</sup> meeting minutes
    2. Motion made and carried to approve the July 10, 2019 Board Meeting minutes
  2. August 21, 2019 Board Meeting
    1. Tabled review and approval until our next Board meeting
3. FINANCIAL REPORT – Review and discuss July financial report.
  1. July Income: \$34.7K
    1. July Water + Sewer = \$28.0K
    2. Jan - Jul Water + Sewer at \$200.0K of year to date budget \$207.1K
    3. Y2019 Equity Buy-in Fees at \$36.8K versus annual budget \$27.6K
    4. Y2019 Water & Sewer Taps at \$15.5K versus annual budget \$10.4K
  2. July Expenses = \$37.1K
    1. \$15.2K legal fees paid in July
  3. July Net Income = -\$2.4K
  4. YTD Legal/Appraisal at \$63.7K of annual budget \$38.0K
  5. Y2019 Barge Storm Damage Repairs = \$42.7K
  6. Y2019 Water + Sewer Repairs at \$14.1K of annual budget \$45.0K
  7. Net Income = \$12,583 year to date
  8. July 2019 Metrics:
    1. DSCR: 0.42
    2. Debt to Equity: 0.17

3. Days of Cash on Hand: 155 days
  9. July 2018 Metrics:
    1. DSCR: 1.51
    2. Debt to Equity: 0.20
    3. Days of Cash on Hand: 162 days
  10. Members' Comments:
    1. Rene Ffrench: include baseline for metrics
  11. AI: Moving forward add three month rolling average of metrics to financials review as baseline. - Mike
  12. Motion made and carried to accept July 2019 Financials report.
4. LCRA CONSERVATION GRANT APPLICATION – Review, consider and take action on applying for LCRA Firm Water Conservation Cost-Share Program grant for offsetting water efficiency projects to keep WOWSC below its 59-acre feet contract level.
1. Application is due Friday, September 6, 2019 which drove the holding of this meeting on September 4<sup>th</sup> to review and approve funding for this project.
  2. Joe read the resolution for authorizing spending of \$32,135 for the LCRA conservation grant of \$16,240 to reduce WOWSC's water consumption by ~14 acre feet annually (WTP improvement saves ~7 acre feet and WWTP improvement saves ~7 acre feet).
  3. Keeping WOWSC's water consumption below our contracted 59 acre feet allotment postpones WOWSC's need to renegotiate our contract and avoid a potential LCRA raw water price increase. 14 acre feet reduction in water usage saves ~\$1000 annually.
  4. WOWSC's Y2018 usage: 58.77 acre feet
  5. WOWSC will likely use existing funds for the \$32,135.
  6. Members' comments:
    1. Mark McDonald: Can WOWSC renegotiate our contract before Friday, possibly increasing target consumption?
    2. Rob Van Eman: Track water usage from previous years along with annual rainfall
    3. Rene Ffrench: Believes these projects are a 'No Brainer'
  7. Motion made and carried to proceed with submitting the LCRA Conservation Grant Application.
5. LOAN OFFER FROM COBANK– Review, consider and take action to approve loan offer to pay-off balloon note, pay for generator, and have standby funds available for five-year plan and other improvements.
1. Joe read loan resolution at our 21Aug2019 WOWSC Board Meeting
  2. We will receive a 0.25% loan return at the end of each year if our loan is in good standing
  3. Need to submit loan proposal to COBANK
  4. No need to inform COBANK what the loan amount is to be used for.
  5. Board to approve use of COBANK loan funds at WOWSC Board Meetings.
  6. For Loans ≥ \$100K the loan is at a fixed rate / locked-in rate
    1. Today's fixed rate ~4.4%
  7. For Loans < 100K the loan is at a flexible rate
  8. No prepayment penalty
  9. 20-year availability of \$500,000
  10. No penalty for not using funds
  11. Commercial loans are five to seven years at Prime +
  12. Members' comments:
    1. Rob Van Eman:
      1. Is every draw amortized over twenty years?
      2. What is variable loan based on? → Variable rate loans at LIBOR +
      3. Board needs to review and approve use of Loan Funds at Board Meetings
    2. Danny Flunker: Will loan funds be reviewed and approved at Board Meetings? Yes. That's our WOWSC Board's standard operating procedure.
  13. Motion made and carried to move forward with applying for the \$500,000 COBANK loan



14. Motion made and carried to pay-off the ~\$240,000 balance of the American Bank of Texas Loan with COBANK loan funds.
  
6. RELEASE OF EASEMENT – Review member request for release of easement on Center Cove 1, lot 108.
  1. Each Center Cove 1 lot has independent lot lines.
  2. Distances vary between Center Cove 1 lots.
  3. Members believe the area between the Center Cove 1 lots is Center Cove 1 common area.
  4. A lot that is challenging to build on has owner / member who wants to build a home the same size as the lot lines.
  5. WOWSC has a 5' easement inside the perimeter of the entire lot for all lots.
  6. This lot is across the street from the WO POA's pool.
  7. WOWSC is not using any of the 5' easement inside this lot.
  8. WOWSC has an easement outside the lot's perimeter at the street which can be used to provide water and waste taps to the new home.
  9. The member's request does not look to present a problem for WOWSC.
  10. Members' comments:
    1. Mark McDonald: Believes the WO POA architecture committee will deny the home builder's request to build up to the property lines, treating this request consistently with all other home builders' requests.
  11. Motion made and carried to table this item awaiting being informed of WO POA architecture committee's decision on the home builder's request to build up to the property lines.
  
7. Comments from citizens and members who have signed sign-up sheet to speak (3-minute limit per person)
  1. Rob Van Eman:
    1. Was Norman Morse advised of the special meeting on September 18<sup>th</sup> regarding removal from our WOWSC Board?
      1. WOWSC ByLaws state missing three consecutive Board Meetings is grounds for removal.
  2. Danny Flunker: Conflict of Interest Policy update. → Plan for update at September 18<sup>th</sup> Board Meeting
  
8. New business and discussion and possible action on agenda for next meeting.
  1. Legal update
  2. H. B. No 2840's time limit discussion and how best to add to agenda's moving forward
  3. Review and approve August 21<sup>st</sup> minutes
  4. Review and approve August financials
  5. Generator invoice review and motion to approve use of COBANK loan funds
  
9. Set date, time, and place for next meeting
  1. Wednesday, September 18<sup>th</sup>, at 6:00PM, at WO Pavilion
  
10. Motion made and carried to adjourn at 7:17PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on September 18, 2019