



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

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

Windermere Oaks Water Supply Corporation (WOWSC) meeting held: Thursday, October 15, 2020 via videoconference using Zoom

2020 - 2021 Board Members Present: Patricia Gerino, Joe Gimenez, Mike Nelson, Rich Schaefer, Dorothy Taylor

Minutes

The meeting was called to order at 6:01PM by Joe Gimenez. A quorum was established with three Board Members present (Joe, Dorothy, and Mike). Rich joined at 6:05PM. Patricia joined at 7:00PM during Executive Session.

- 1) Comments from citizens and members who have signed sign-up sheet to speak (3-minute limit per person)
 - i) None

- 2) MANAGER'S REPORT –
 - a) CORONAVIRUS – Update on recommendations from public health officials and water associations regarding water treatment processes for Covid-19.
 - i) Nothing new to report. Emphasis remains on water quality and protecting operators. No adjustments are anticipated.
 - b) EASEMENT ENCROACHMENT -- Background and situation report on easement's encroachment on property of 423 Coventry Road.
 - i) George explored where the water and electrical lines are on the property. George is awaiting a response from the surveyor.
 - c) LCRA GRANT PROJECTS – Update on conservation projects at water and waste-water plants.
 - i) The WWTP recycle project has been completed and is expected to save ~100K gallons/month.
 - ii) The WTP recycle project is starting and is expected to save ~100K gallons/month.
 - d) CLARIFIER AND ZEBRA MUSSELS – Update on recent permit applications for zebra mussel treatments and clarifier replacement projects
 - i) Zebra mussels mitigation
 - (1) Zebra mussels are a pest and are a threat to our WTP equipment.
 - (2) Lake Travis is only ~60ft deep when completely full and zebra mussels live in all depths
 - (3) WOWSC has ~1000ft of pipeline between our water intake barge and the WTP
 - (4) Zebra mussels will block water intake pipes.
 - (5) Zebra mussels do not attach to copper
 - (6) George had WOWSC's water intake pipes wrapped in copper screen to keep zebra mussels from attaching to them.
 - (7) Baby mussels are ~80um to 100um in size and easily pass through copper screen.
 - (8) Baby mussels can then colonize millions of adults mussels inside water intake pipes clogging them.
 - (9) Strainers with 30um screen openings are used in the Great Lakes region to remove baby and adult mussels
 - (10) Allowable amount of chlorine is not sufficient to kill zebra mussels
 - (11) George Neill prepared a plan to present to TCEQ tomorrow on behalf of WOWSC for installation of two strainers on our water intake barge to mitigate zebra mussels.
 - (a) Plan calls for two strainers, one for each of the two water intake manifolds that run from the barge across the water to the bank.

- (b) Strainer price (each): \$19,499
- (c) ~\$10,000 installation fee anticipated
- (12) Engineer fee: \$5000 (part of operations budget)
 - (a) \$1000 now
 - (b) \$3000 after presentation of plan to TCEQ
 - (c) \$1000 when plan is approved by TCEQ
- (13) Total project cost estimate ~\$54,000

ii) WTP clarifier

- (1) Joe shared his presentation on clarifiers at Ridge Harbor (newer clarifier) and WOWSC (old clarifier).
- (2) The clarifier is used as pretreatment before water is treated by the Siemens equipment.
- (3) WOWSC's clarifier is old and in an advanced state of rust and corrosion.
- (4) The clarifier is the first stage of the water treatment process that removes solid particles.
- (5) Chemicals are added to combine with the particles to make the particles heavier so they settle out of the water.
- (6) Taller clarifier allows a longer time for particles to settle out of the water.
- (7) WOWSC needs to replace our WTP clarifier.
- (8) A new clarifier is an expensive item. It's possibly in the \$500,000 range for the complete project.
- (9) WOWSC has added 45 new homes in the last five years.
- (10) Project schedule: Could get TCEQ project approval by the end of this year and complete the project by the start of summer Y2021.
- (11) Engineer is generating a project plan. George is expecting a completed plan in four to six weeks.

3) TREASURER REPORT –

a) Review and acceptance of September report.

i) September 2020

- (1) September Income: \$55.4K
 - (a) Water + Sewer revenue: \$53.6K
 - (b) Standby Fees: \$0.0K
 - (c) Year to date (YTD) Water + Sewer revenue at \$380.8K of YTD budget \$292.5K
 - (d) YTD Standby Fees revenue at \$34.7K versus annual budget \$33.0K
 - (e) YTD Equity Buy-in Fees revenue at \$36.8K versus annual budget \$27.6K
 - (f) YTD Water & Sewer Taps revenue at \$13.8K versus annual budget \$10.4K
- (2) September Expenses: \$10.5K
 - (a) Most payments were made in early October
- (3) September Net Income: \$44.9 (overstated net income because of payments made in October)
 - (a) October net income will look bad because of September payments made in early October.
- (4) 2020 Metrics:
 - (a) Debt to Service Coverage Ratio (DSCR): 2.53
 - (b) Debt to Capital Ratio: 0.17
 - (c) Days of Cash on Hand: 100 days
- (5) 2019 Metrics:
 - (a) DSCR: 2.59
 - (b) Debt to Capital Ratio: 0.19
- (6) Days of Cash on Hand: 219 days
- (7) Motion made and carried by all to accept the September financial report

4) LOAN – Update on processing of loan.

a) CoBank wired the first two loans to First United Bank Wednesday, 14Oct2020.

- i) 3.75% fixed interest rate on the first two loans
- ii) First Loan Amount: \$191,666.89
 - (1) To pay-off loan
 - (2) \$1,142 estimated monthly payment

- iii) Second Loan Amount: \$150,000
 - (1) For projects: WTP generator, WTP and WWTP water conservation projects, WWTP dispersal field repairs and improvements, WTP SCADA computer system upgrade, WTP and WWTP security systems
 - (2) \$894 estimated monthly payment
 - b) Third loan amount approved for up to \$300,000. CoBank said to request additional funds if needed.
 - i) For clarifier project
 - c) CoBank pays 0.5% end of year rebate
- 5) Executive Session under Texas Government Code § 551.071(1) and (2) and § 551.072 regarding:
 - a) 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.;
 - b) Attorney consultation regarding Ratepayers Appeal of Water and Sewer Increases by the WOWSC filed with the Public Utility Commission of Texas;
 - c) Deliberations regarding potential purchase, exchange, lease, or value of real property;
 - d) Discussion of appeal of Attorney General ruling filed in Travis County District Court in the case of WOWSC v The Honorable Ken Paxton, Attorney General of Texas, Cause No. D-1-GN-19-006219, for protection of corporate rights and privileges during ongoing litigation including potential settlement of same.
 - i) Entered Executive Session: 6:49PM
 - ii) Exited Executive Session: 7:40PM
 - iii) Rejoined Open Meeting: 7:46PM with four Board Members present as Rich was not able to rejoin due to technical difficulties.
- 6) Consideration and possible action on items discussed in Executive Session.
 - a) Because the 6+ acres of WOWSC owned land within the airport is surplus property that is not needed by the Corporation, and continuing to hold could pose liabilities and will not generate any revenue to offset any WSC expenses or debts, the board should move forward to market with the goal of eventually selling the 6+ acres of property in order to:
 - i) avoid any liabilities, and
 - ii) to generate revenue that would be used to support the business of the WSC, including but not limited to paying down any outstanding indebtedness.
 - b) Additionally, this Board recognizes that all of the WOWSC-owned property on the east side of Exeter should be retained at this time because:
 - i) the bulk of it is in use for the operation of ponds and disposal of wastewater as permitted by law, and
 - ii) due to continued and anticipated growth in the community and its water and wastewater needs, for the possibility of any future necessary expansion of WOWSC facilities.
 - c) Real Estate subcommittee to get an estimate to re-survey the 6+ acres in the airport and the subcommittee will also gather info and come back to board with recommendations on agents/brokers, marketing efforts, etc. to move forward with the marketing. Subcommittee is Not authorized to finalize any agreements.
 - d) Motion made and carried by all four present Board Directors to authorize the real estate subcommittee, Dorothy and Rich, to take steps above so the Board can move forward with marketing and the goal of eventually selling the 6+ acres of WOWSC property in the airport.
 - e) Motion made and carried by all four present Board Directors to authorize our litigation subcommittee, Joe and Mike, to engage with our legal team to generate a member communication on recent legal developments.
- 7) NEW BUSINESS – Discussion and possible action on agenda for next meeting.
 - a) Manager’s report
 - b) Approval of Oct 12th and Oct 15th meeting minutes
 - c) Legal
 - d) October Monthly Financial Report
 - e) Upcoming Board election
 - f) Financial planning targets
- 8) NEXT MEETING – Set date, time, and place for next meeting.
 - a) Wait for Dorothy to determine if a Board Meeting is needed before mid November to meet the election schedule.

9) Motion made and carried by all to adjourn at 7:58PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on December 16, 2020