



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: Wednesday, December 16, 2020 via videoconference using Zoom

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

Minutes

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

- 1) Comments from citizens and members who wish to speak on agenda or non-agenda items (3-minute limit per person)
 - a) Justin Fuller: I am working to get up to speed on why the rates were increased.
- 2) Approval of Board Meeting Minutes
 - a) October 12, 2020
 - i) Motion made and carried by all to approve the October 12, 2020 Board meeting minutes with feedback from Grant Rabon of NewGen
 - b) October 15, 2020
 - i) Motion made and carried by all to approve the October 15, 2020 Board meeting minutes with feedback from George Burris.
- 3) MANAGER'S REPORT –
 - a) CORONAVIRUS – Update on recommendations from public health officials and water associations regarding water treatment processes for Covid-19, as well as response.
 - i) Corix has extensive Covid-19 policies in place for employee guidance. Staying the course at the present time.
 - b) EASEMENT ENCROACHMENT -- Background and situation report on easement's encroachment on property of 423 Coventry Road.
 - i) WOWSC's raw water intake line from the barge to the WTP and the barge's two electric cable conduits cross this lot. The first electrical cable conduit is not within the 5' easement. Recently learned the second cable conduit is within the 5' easement but to be only buried eight inches deep. The home builder will need to grade the lot and so the second cable within the 5' easement will need to be lowered. A trench will need to be dug to lower the cable conduit. George estimates \$2500 to dig the trench and move both cables. Both conduits would then be within the 5' easement and lowered.
 - c) LCRA GRANT PROJECTS – Update on conservation projects at water and waste water plants.
 - i) WWTP water conservation project was completed in September. WWTP water consumption was reduced by ~65,000 gallons from September to October.
 - ii) WTP water conservation project is ready to start. Project is to recycle backwash water. Electrical quotes are in progress. Expect to start this project in January.
 - d) CLARIFIER AND ZEBRA MUSSELS – Update on recent permit applications for zebra mussel treatments and research on clarifier replacement projects.
 - i) Engineer submitted an application to add strainers on WOWSC's water intake barge to remove the zebra mussels at the barge keeping them from entering WOWSC's water intake pipes and the WTP. WOWSC has two 4" water intake pipes from the water intake barge to the bank.

- ii) Chemical treatment, like copper sulfate, for zebra mussels is not acceptable and is not an option.
 - iii) George spoke with the reviewing TCEQ engineer this week and explained this is an emergency. The copper screens on WOWSC's water intake pipes have 1/16" openings which is much larger than baby mussels that are 70um in size.
 - iv) Clarifier
 - (1) Manufacturer told George he can build and install a 20' tall, 23' diameter clarifier for \$304,000. George is targeting June.
 - (2) George traveled to Dallas and Granite Shoals to view clarifiers similar to the design built by this manufacturer.
 - (3) Manufacturer plans to visit WOWSC to firm-up the clarifier quote next week. Manufacturer is building a clarifier in Barton Creek now.
 - (4) If growth continues at the same pace as recent years, George estimates that WOWSC will need a second clarifier in ~ five years.
 - (5) A WOWSC member reported inadequate water pressure to the PUC. George believe this is highly unlikely as WOWSC has two variable speed pumps that run continuously maintaining a constant pressure of 55.5psi. Water pressure only drops to 45psi when switching between the two pumps and the water pressure is returned to 55.5psi within two minutes. A TCEQ inspector installed a meter on WOWSC's fire hydrant to monitor the water pressure. WOWSC needed to repair the monitor installation as it was leaking. The TCEQ water pressure monitoring is in progress.
 - e) DISPERSANT FIELD EXPANSION AT AIRPORT – Update on runway project effluent water project.
 - i) A TCEQ engineer told George that he is close to completing his review of the project proposal and his report. Some modifications have been made to the initial project proposal.
 - ii) ~ Fifty homes have been built in Windermere Oaks in recent years.
- 4) TREASURER REPORT –
- a) Review and acceptance of October and November report.
 - i) October 2020
 - (1) October Income: \$55.6K
 - (a) Water + Sewer revenue: \$49.8K
 - (b) Standby Fees: \$0.5K
 - (c) Year to date (YTD) Water + Sewer revenue at \$430.7K of YTD budget \$325.0K
 - (d) YTD Standby Fees revenue at \$35.2K versus annual budget \$33.0K
 - (e) YTD Equity Buy-in Fees revenue at \$41.4K versus annual budget \$27.6K
 - (f) YTD Water & Sewer Taps revenue at \$13.8K versus annual budget \$10.4K
 - (2) October Expenses: \$72.1K
 - (a) Legal: \$31.7K
 - (i) YTD Legal at \$174.3K versus annual budget \$250.0K
 - (b) Repairs and Maintenance: \$11.4K
 - (i) Repairs and Maintenance at \$54.1K versus annual budget \$50.0K
 - (3) October Net Income: <\$16.5K> (net loss because of some September payments that were made in October)
 - (4) 2020 Metrics:
 - (a) Debt to Service Coverage Ratio (DSCR): 1.57
 - (b) Debt to Capital Ratio: 0.29
 - (c) Days of Cash on Hand: 207 days
 - (5) 2019 Metrics:
 - (a) DSCR: 2.50
 - (b) Debt to Capital Ratio: 0.15
 - (6) Days of Cash on Hand: 219 days
 - (7) Motion made and carried by all to accept the October financial report
 - ii) November 2020
 - (1) November Income: \$82.8K

- (a) Water + Sewer revenue: \$57.1K
 - (i) Year to date (YTD) Water + Sewer revenue at \$487.7K of YTD budget \$357.5K
- (b) Standby Fees: \$0.0K
 - (i) YTD Standby Fees revenue at \$35.2K versus annual budget \$33.0K
- (c) Equity Buy-in Fees: \$18.4
 - (i) YTD Equity Buy-in Fees revenue at \$59.8K versus annual budget \$27.6K
- (d) Water & Sewer Taps revenue: \$6.9K
 - (i) YTD Water & Sewer Taps revenue at \$20.7K versus annual budget \$10.4K
- (2) November Expenses: \$49.9K
 - (a) Legal: \$10.6K
 - (i) YTD Legal at \$184.9K versus annual budget \$250.0K
 - (b) Repairs and Maintenance: \$7.7K
 - (i) Repairs and Maintenance at \$61.8K versus annual budget \$50.0K
- (3) November Net Income: \$33.0K
- (4) 2020 Metrics:
 - (a) Debt to Service Coverage Ratio (DSCR): 3.18
 - (b) Debt to Capital Ratio: 0.23
 - (c) Days of Cash on Hand: 221 days
- (5) 2019 Metrics:
 - (a) DSCR: (0.44)
 - (b) Debt to Capital Ratio: 0.15
 - (c) Days of Cash on Hand: 175 days
- (6) Motion made and carried by all to accept the November financial report
- b) Consider and take possible action on engagement letter with Raven Herron for WOWSC's tax returns.
 - i) Minimum charge is \$1200
 - ii) Record retention is seven years
 - iii) Motion made and carried by all to accept the engagement letter with Raven Herron for WOWSC's Y2020 tax return.
- c) Consider and take possible action on accepting financial policies provided by NewGen Strategies.
 - i) Proposals in Memorandum reflects what was discussed at the October 12th Board meeting.
 - ii) Revisit renewals and replacement reserves with Grant and the Board.
- d) Review and approval of expense reports.
 - i) Joe used the IRS guidance for auto mileage rate of \$0.58 / mile for car expenses.
 - ii) Joe's expense report total: \$165.12
 - iii) Joe recused himself from the vote
 - iv) Motion made and carried by Mike, Patricia, and Dorothy to approve payment of Joe's expense report.
- 5) CONSIDERATION OF BUDGET FOR 2021 – The Board will consider and take possible action on accepting 2021 budget.
 - a) The PUC rate case and the PUC staff's feedback is expected to modify rates.
 - b) Should a year end assessment be used to reduce / pay down WOWSC's legal balance?
 - c) The Board reviewed the initial budget proposal.
 - d) All Board Directors have the action to review the initial budget proposal.
 - e) George's estimate for the Clarifier project is \$400,000
 - f) Discuss a raise for WOWSC's manager at an upcoming Executive session
- 6) ADOPTION OF ELECTION PROCEDURES FOR ANNUAL MEMBERS MEETING – Board will consider possible action needed for adoption of election procedures for 2020 annual meeting, including adoption of Credentials Committee recommended Election Procedures for 2021 Annual Members Meeting.
 - a) Dorothy worked with Trent of TRWA and Lloyd Gosselink on WOWSC's Y2021 election procedures during COVID-19.

b) Dorothy sent out the election procedures to Board Directors for review which includes the template of letters and forms.

c) Statement from Dorothy during meeting:

In preparing for the 2021 annual meeting I had conversations with Trent Hightower the attorney at Texas Rural Water Association and previously shared Trent's letter with the Board re: having an annual meeting during the pandemic. Trent indicated that we would need to allow members to vote in person based on state law, but TRWA recommended limiting in person activity and consider an online meeting.

Based on TRWA template, discussions with Trent and the Lloyd Gosselink attorneys, the committee discussed how to safely conduct the next annual meeting. The TRWA recommendations included:

Members should be strongly encouraged to vote ahead of time, rather than in person.

Establish safe voting procedures for those who wish to vote in person.

Members should be encouraged to view the meeting online. If you have the capability to do so, promote the online option to discourage people from gathering in a large group.

By being mindful of the above considerations, water supply corporations can conduct their meeting on schedule this year without exposing their members, employees, and directors to unsafe situations.

Given the LLG attorney's recommendation that he stated in the WOWSC Board meeting on September 22nd, so not to create a liability for the Corporation, that meetings should be kept virtual until revoked by the State,

The credentials committee (myself, Karri Gibson and Patricia Gerino) updated procedures based on changes in TRWA template. talked thru best options to consider on how to conduct the meeting, and after consulting with Trent at TRWA and our legal counsel at Lloyd Gosselink the committee is proposing to follow procedures as far as notification and sending out applications for director positions, sending out ballots and return of ballots prior to meeting date according to TRWA suggestions and the procedures that WOWSC has been following in previous years.

But for the meeting. If we are still under the Governor's statewide disaster declaration we will have voting in person for those that have not submitted their ballot previously, we'll do that at the Pavilion (or at the water plant if weather is bad) on the day of the annual meeting; but will hold the meeting via Zoom.

According to our bylaws our annual meeting is to take place between January 1 and April 30th. The credentials committee is recommending for your approval the procedures you received which proposes to have in person voting between 8:30 and 10am; then the Zoom meeting would start at 11am on Saturday March 27, 2021.

d) Lori will print and mail letter and director application to all members

e) Janet Crow volunteered to be the election auditor and we will need a few other volunteers for vote counting.

f) Motion made and approved by all to accept the election procedures from the credential committee

7) NEW BUSINESS – Discussion and possible action on agenda for next meeting.

a) Treasurer's report

b) Manager's report

c) Financial policy – revisit renewals and replacement reserves with Grant Rabon

d) Budget

e) Meeting minutes

f) Annual Member meeting and election

8) NEXT MEETING – Set date, time and place for next meeting

a) Thursday, Jan 14th

9) Motion made and carried by all to adjourn at 7:49PM


Submitted by: Mike Nelson

APPROVED BY WOWSC Board on March 9, 2021

Billing Questions: (830) 598-7511 Ext 1

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