



Windermere Oaks Water Supply Corporation

424 Coventry Rd
Spicewood, Texas 78669

2021 - 2022 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, November 18, 2021 at the Spicewood Community Center

2021 - 2022 Board Members Present: Patricia Gerino, Mike Nelson, Rich Schaefer, Dorothy Taylor

Minutes

The meeting was called to order at 6:00PM by Patricia Gerino. A quorum was established with four Board Members present, Patricia, Mike, Rich, Dorothy.

- 1) Comments from citizens and members who wish to speak on agenda or non-agenda items (3-minute limit per person)
 - i) None
- 2) Approval of Board Meeting Minutes
 - a) September 30, 2021
 - b) Motion made and carried by all to accept the September 30th meeting minutes.
- 3) MANAGER'S REPORT
 - a) CLARIFIER AND STORAGE TANK– Update on progress of plans related to clarifier and storage tank accomodating system growth.
 - i) George ordered the tank and delivery is expected in approximately three months.
 - ii) Preparation work has started for the tank's installation.
 - b) REGULATORY FILINGS – Update on a) Eminent Domain 2022 Filing in Texas Comptroller Eminent Domain Database, b) Preliminary SB 3 Emergency Preparedness Plan filed with Public Utility Commission and other required filings by November 1st deadline.
 - i) State law was passed in response to the ice storm earlier this year.
 - ii) WOWSC needs to demonstrate it can stay in operation when utility supplied electricity is not available for 24 hours or more.
 - iii) On November 1st WOWSC notified the PUC that WOWSC is generating the Emergency Preparedness Plan document. WOWSC's plan is now 90% complete and needs to be submitted by March 2022. WOWSC already owns a generator which kept power to our WTP during the ice storm earlier this year.
- 4) TREASURER'S REPORT
 - a) Review and acceptance of September and October Financial Reports.
 - i) September 2021
 - (1) September Income: \$59.4K

- (a) Water + Sewer revenue: \$59.2K
- (b) Standby Fees: \$248.40
- (c) Year to date (YTD) Water + Sewer revenue at \$468.1K of YTD budget \$405K
- (d) YTD Standby Fees revenue at \$34.3K versus annual budget \$33K
- (e) YTD Equity Buy-in Fees revenue at \$18.8K versus annual budget \$27.6K
- (f) YTD Water & Sewer Taps revenue at \$6.0K versus annual budget \$10.4K
- (2) September Expenses: \$63.7K
 - (a) Legal: \$25.4K
 - (i) YTD Legal at \$214.6K versus annual budget \$250.0K
 - (b) Repairs and Maintenance: \$17.2K
 - (i) Repairs and Maintenance at \$93.6K versus annual budget \$50.0K
 - 1. Repairs from severe freeze at \$22.6K YTD. George submitted an insurance claim.
 - 2. Repairs and maintenance on barge at \$1.8K
- (3) September Net Income: <\$9.0K>
- (4) 2021 Metrics:
 - (a) Debt to Service Coverage Ratio (DSCR): (0.51)
 - (b) Debt to Capital Ratio: 0.24
 - (c) Days of Cash on Hand: 138 days
- (5) 2020 Metrics:
 - (a) DSCR: 2.53
 - (b) Debt to Capital Ratio: 0.17
 - (c) Days of Cash on Hand: 100 days
- ii) October 2021
 - (1) October Income: \$67.5K
 - (a) Water + Sewer revenue: \$57.3K
 - (b) Standby Fees: \$961.20
 - (c) Year to date (YTD) Water + Sewer revenue at \$525.4K of YTD budget \$450K
 - (d) YTD Standby Fees revenue at \$35.3K versus annual budget \$33K
 - (e) YTD Equity Buy-in Fees revenue at \$23.4K versus annual budget \$27.6K
 - (f) YTD Water & Sewer Taps revenue at \$7.8K versus annual budget \$10.4K
 - (2) October Expenses: \$27.8K
 - (a) Legal: \$0.4K
 - (i) YTD Legal at \$215K versus annual budget \$250.0K
 - (b) Repairs and Maintenance: \$5.3K
 - (i) Repairs and Maintenance at \$98.9K versus annual budget \$50.0K
 - 1. Repairs from severe freeze at \$22.6K YTD. George submitted an insurance claim.
 - 2. Repairs and maintenance on barge at \$1.8K
 - (3) October Net Income: \$35.2K
 - (4) 2021 Metrics:
 - (a) Debt to Service Coverage Ratio (DSCR): 1.20
 - (b) Debt to Capital Ratio: 0.37
 - (c) Days of Cash on Hand: 380 days
 - (5) 2020 Metrics:
 - (a) DSCR: 1.57
 - (b) Debt to Capital Ratio: 0.29
 - (c) Days of Cash on Hand: 207 days
- iii) Motion made and carried by all to accept the September and October financial reports

- b) 2022 Budget process update.
 - i) Mike's initial budget proposal was provided to Patricia and George for review and feedback.
- 5) E-BILLING & EPAYMENTS SOLUTIONS – Update on execution of contract and start of service with PayStar.
 - a) Contract with PayStar has been executed.
 - b) Lori is working with PayStar on the setup.
 - c) PayStar option for credit card payment might be available for the upcoming billing cycle.
- 6) BYLAW CHANGES – Discussion, consideration and possible action on a) changes bringing WOWSC bylaws into agreement with state laws regarding elections; and b) clarifying language relating to membership fees
 - a) Board is updating WOWSC's bylaws Article 7, #2: re: annual meeting date to be consistent with Sec. 67.007 of the Texas Water Code and to eliminate the specific dollar amount in Article 10, #6
MEMBERSHIP FEES
 - b) Motion made and carried by all to adopt both bylaw changes/updates.
- 7) ELECTION PROCEDURES FOR 2022 ANNUAL MEMBERS MEETING – Discussion, consideration and possible action on a) approval of Credentials Committee b) review of Credentials Committee's recommended Election procedures for 2022 Annual Members Meeting; and c) adoption of Credentials Committee recommended Election procedures for 2022 Annual Members Meeting, including setting date.
 - a) Rich and Mike were appointed as the Board members of the Credentials Committee at the March 27th Board meeting earlier this year.
 - b) Karri Gibson agreed to be the Credentials Committee's non-Director member.
 - c) Motion made and carried by all to approve the Credentials Committee of Karri, Mike, and Rich.
 - d) The draft Election Procedures for the 2022 Annual Members Meeting have been reviewed and approved by the Credentials Committee. The draft Election Procedures for 2022 Annual Members Meeting have been emailed to all Board Members.
 - e) Credentials Committee recommends the Board adopt the draft Election Procedures for the 2022 Annual Members Meeting including setting the Annual Members Meeting date to Saturday, March 19, 2022.
 - f) Motion made and carried by all to adopt the draft Election Procedures recommended by the Credential Committee for the 2022 Annual Members Meeting

Executive sessions were tabled for this meeting.

- 8) EXECUTIVE SESSION – The Board will go into Executive Session under Texas Government Code § 551.071 to consult with the WOWSC Attorney regarding pending or anticipated litigation matters listed in item 12 below.
- 9) EXECUTIVE SESSION – The Board will go into Executive Session under Texas Government Code § 551.072 to discuss the potential purchase and sale of real property listed in items 10-11 below
- 10) PURCHASE OF REAL PROPERTY – Discuss, consider, and act on the potential purchase of real property for WOWSC facilities.
 - a) No discussion
- 11) SALE OF REAL PROPERTY – Discuss, consider, and act on the potential sale of WOWSC property
 - a) No discussion

- 12) PENDING/ANTICIPATED LITIGATION MATTERS – Discuss, consider, and act on pending or anticipated litigation, including:
- a) Ffrench, et al., Intervenor-plaintiffs and Double F Hanger Operations, LLC, et al. v. Friendship Homes & Hangars, LLC, Windermere Oaks WSC, et al., Cause No. 48292, 33rd Jud. Dist., Burnet County Dist. Ct.;
 - i) No discussion
 - b) Ratepayers Appeal of Water and Sewer Increases by the WOWSC filed with the Public Utility Commission of Texas; and
 - i) No discussion
 - c) Windermere Oaks Water Supply Corporation, et al. v. Allied World Specialty Insurance Company; Cause No. 1:21-CV-258-RP, pending in the Western District Court of Texas, Austin Division.
 - i) No discussion
- 13) INSURANCE – Discussion, consideration and possible action on D&O policies provided by agency.
 - a) No discussion
- 14) RATE CASE AT PUBLIC UTILITY COMMISSION – Update on Ratepayers Appeal of the 2020 decision by WOWSC to change water and sewer rates.
 - a) No discussion
- 15) NEW BUSINESS – Discussion and possible action on agenda for next meeting.
 - a) Approval of Board Meeting minutes
 - b) Manager’s report
 - c) Executive session for legal and property updates
 - d) November financial report
 - e) 2022 Annual Members Meeting
- 16) NEXT MEETING – Set date, time and place for next meeting.
 - a) Confirm with Joe either Tuesday, Dec 21st, anytime or Monday, Dec 20th, with finish before 6PM.
- 17) Motion made and carried by all to adjourn at 6:25PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on February 7, 2022