



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: Monday, February 7, 2022 at the Spicewood Community Center

2021 - 2022 Board Members Present: Joe Gimenez, Mike Nelson, Rich Schaefer, Dorothy Taylor

Minutes

The meeting was called to order at 4:01PM 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)
 - i) Danny Flunker: OPUC's amicus brief sided with the plaintiffs.
- 2) Approval of Board Meeting Minutes
 - a) November 18, 2021
 - b) Motion made and carried by Mike, Rich, and Dorothy to accept the November 18th meeting minutes.
 - i) Joe abstained from the vote as he did not attend the November 18th meeting.
- 3) MANAGER'S REPORT
 - a) CLARIFIER AND STORAGE TANK– Update on progress of plans related to clarifier and storage tank accomodating system growth.
 - i) A 125,000 gallon storage tank has been ordered from Superior Tank Company Inc.
 - ii) All storage tank project directives and plans have been approved.
 - iii) Tank delivery is targeted for first half of March.
 - iv) Tank's foundation plan is in engineering review.
 - v) There are no buried lines where the new storage tank is to be placed.
 - vi) Credit application was provided to Superior Tank Company Inc. and approved.
 - vii) First tank payment was submitted.
 - viii) Windermere Oaks has approximately 176 houses today.
 - ix) WOWSC provides service to approximately 100 hangars today.
 - x) Windermere Oaks has approximately 165 empty lots today.
 - xi) George identified a used bridge for the clarifier tank project at another water supply corporation who has offered to provide it at no charge if WOWSC does all removal and shipment.
 - b) REGULATORY FILINGS – Briefing on LCRA Drought Contingency, for consideration and approval by Board.
 - i) George and Dorothy worked on WOWSC's LCRA Drought Contingency Plan to meet LCRA's requirements. WOWSC Board needs to approve the plan before it is submitted as final to LCRA.

- ii) WOWSC submitted update Conservation Plan to LCRA October 1, 2021.
 - (1) LCRA promotes the limit of landscape irrigation to two days per week at all times.
- iii) LCRA contract requires both the Drought Contingency Plan and Conservation Plan.
- iv) LCRA take or pay contract:
 - (1) WOWSC's plan:
 - (a) 59 acre feet / year
 - (b) Regular rate = \$155 per acre feet.
 - (c) When usage is under the plan, water charges are:
 - (i) Regular rate for water used + ½ regular rate for difference.
 - (d) When usage is over the plan, water charges are:
 - (i) Regular rate for 59 acre feet + twice regular rate for difference.
- v) WOWSC realized approximately a 12 acre feet / year benefit from the successful WTP and WWTP conservation projects.
- vi) WOWSC's Y2020 water usage = 68 acre feet
- vii) WOWSC's Y2021 water usage = 48 acre feet
- viii) Motion made and carried by all to adopt WOWSC's Drought Contingency Plan

4) TREASURER'S REPORT

- a) Review and acceptance of November and December Financial Reports.
 - i) November 2021
 - (1) November Income: \$51.5K
 - (a) Water + Sewer revenue: \$51.5K
 - (b) Standby Fees: \$0
 - (c) Year to date (YTD) Water + Sewer revenue at \$576.9K of YTD budget \$495K
 - (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) November Expenses: \$48.7K
 - (a) Legal: \$25.4K
 - (i) YTD Legal at \$240.4K versus annual budget \$250.0K
 - (b) Repairs and Maintenance: \$4.4K
 - (i) Repairs and Maintenance at \$103.3K versus annual budget \$50.0K
 - 1. Repairs from severe freeze at \$22.6K YTD. George made insurance claim.
 - 2. Repairs and maintenance on barge at \$1.8K
 - (3) November Net Income: <\$1.8K>
 - (4) 2021 Metrics:
 - (a) Debt to Service Coverage Ratio (DSCR): 1.26
 - (b) Debt to Capital Ratio: 0.37
 - (c) Days of Cash on Hand: 381 days
 - (5) 2020 Metrics:
 - (a) DSCR: 3.18
 - (b) Debt to Capital Ratio: 0.23
 - (c) Days of Cash on Hand: 221 days
 - ii) December 2021
 - (1) December Income: \$64.2K
 - (a) Water + Sewer revenue: \$52.9K
 - (b) Standby Fees: \$9.8K
 - (c) Year to date (YTD) Water + Sewer revenue at \$629.8K of YTD budget \$540K

- (d) YTD Standby Fees revenue at \$45.1K versus annual budget \$33K
 - (i) One member paid back standby fees of over \$7K
 - (e) YTD Equity Buy-in Fees revenue at \$23.4K versus annual budget \$27.6K
 - (f) YTD Water & Sewer Taps revenue at \$9.0K versus annual budget \$10.4K
 - (2) December Expenses: \$34.1K
 - (a) Legal: \$25.0K
 - (i) YTD Legal at \$265.4K versus annual budget \$250.0K
 - (b) Repairs and Maintenance: <-\$20.1K> → includes \$22.7K from insurance for freeze damage
 - (i) Repairs and Maintenance at \$83.2K versus annual budget \$50.0K
 - (3) December Net Income: \$25.5K
 - (4) 2021 Metrics:
 - (a) Debt to Service Coverage Ratio (DSCR): 2.07
 - (b) Debt to Capital Ratio: 0.36
 - (c) Days of Cash on Hand: 397 days
 - (5) 2020 Metrics:
 - (a) DSCR: 4.25
 - (b) Debt to Capital Ratio: 0.16
 - (c) Days of Cash on Hand: 198 days
 - iii) Motion made and carried by all to accept the November and December financial reports
 - b) Review, discussion and consideration of approval of 2022 Budget
 - i) Repairs and Maintenance Y2022 budget proposal \$75,000 (Y2018 – Y2021 avg = \$75.2K)
 - (1) The original WTP and WWTP had substandard features when it was acquired. WOWSC’s 2003 Board decided to build a new WTP replacing all old equipment. The WTP is now aging.
 - (2) Zebra mussels mitigation is a new challenge.
 - ii) Motion made and carried by all to approve the proposed Y2022 budget
 - c) Review and consideration of approval for Director Expense Report
 - i) Joe Gimenez submitted and expense report with total of \$98.20 for the second half of Y2021.
 - ii) Joe proposed Rich investigate electronic file storage options for WOWSC and Board of Directors.
 - iii) Motion made and carried by Mike, Rich, and Dorothy to reimburse Joe for the submitted expense report items. Joe abstained from the vote.
- 5) E-BILLING & EPAYMENTS SOLUTIONS – Update on start of service with PayStar.
- a) Member payments made using Paystar:
 - i) November 2021: 6
 - ii) December 2021: 30
 - iii) January 2022: 31
 - b) PayStar payment capability started November 23rd.
- 6) ELECTION PROCEDURES FOR 2022 ANNUAL MEMBERS MEETING – Discussion, consideration and possible action on (1) Selection of an Independent Election Auditor; (2) Determine whether any candidates are unopposed, and, if applicable, pass a resolution declaring elected all unopposed candidates and direct that resolution be posted at the Corporation’s main office; (3) Finalize and approve the ballot, agenda and meeting packet for the member meeting
- a) Paul Hischar agreed to be the Independent Election Auditor
 - b) Nicki Campbell, Janet Crow, and Ken Epich agreed to assist Paul with vote counting at the upcoming Annual Members Meeting.
 - c) Motion made and carried by all for Paul Hischar to be the Independent Election Auditor
 - d) Marcus Vidrine is an unopposed candidate for WOWSC Board Director Position 4

e) The following resolution was read aloud at the meeting:

**RESOLUTION DECLARING UNOPPOSED CANDIDATES OF
WINDERMERE OAKS WATER SUPPLY CORPORATION 2022 ELECTION**

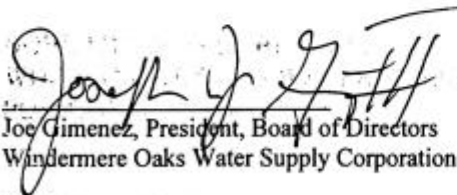
WHEREAS, Windermere Oaks Water Supply Corporation posted notice of the opportunity for candidates to submit applications to run for 2 positions on its Board of Directors pursuant to Texas Water Code Section 67.0052(b); and

WHEREAS, only 1 person submitted an application for position 4, thus creating an unopposed election for the one position pursuant to Texas Water Code Section 67.0055;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF WINDERMERE OAKS WATER SUPPLY CORPORATION DECLARES ELECTED TO POSITION 4: **Marcus Vidrine**

The Board of Directors so orders that this resolution be posted at the Corporation's main office and read into the record at the Corporation's annual meeting, pursuant to Texas Water Code Section 67.0055.

PASSED AND APPROVED this 7th day of February, 2022.


Joe Gimenez, President, Board of Directors
Windermere Oaks Water Supply Corporation

ATTEST:

 2/7/2022
Mike Nelson, Secretary, Board of Directors
Windermere Oaks Water Supply Corporation

- i)
- f) Motion made and carried by all to elect Marcus Vidrine to WOWSC Board Director Position 4 effective March 19, 2022.
- g) There are two candidates for WOWSC Board Director Position 5: Dorothy Taylor and Jeffery Walker
- h) The draft ballot, agenda, and meeting packet for the 2022 Annual Members Meeting were reviewed and approved by the Credentials Committee.
- i) The draft Election Procedures for 2022 Annual Members Meeting were emailed to the Board Members.
- j) The Credentials Committee recommends the Board adopt the draft ballot, agenda, and meeting packet for the 2022 Annual Members Meeting to be held on Saturday, March 19, 2022.
- k) Motion made and carried by all to adopt the draft ballot, agenda, and meeting packet for the 2022 Annual Members Meeting.

Entered Executive session at 4.:33PM
Exited Executive session at 5:15PM

- 7) 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 11 below.
- 8) 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 9-10 below
- 9) PURCHASE OF REAL PROPERTY – Discuss, consider, and act on the potential purchase of real property for WOWSC facilities.
 - a) No discussion
- 10) SALE OF REAL PROPERTY – Discuss, consider, and act on the potential sale of WOWSC property.
 - a) No discussion
- 11) 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) Trial is to be held the week of August 22, 2022.
 - b) Ratepayers Appeal of Water and Sewer Increases by the WOWSC filed with the Public Utility Commission of Texas; and
 - i) Hearing was held December 1, 2021 through December 3, 2021
 - ii) Legal briefs have been filed with the ALJs
 - iii) After receiving the legal briefs, the ALJs have sixty days to review the evidence and issue a proposal for decision, which ultimately goes to the Commission for final decision.
 - 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
- 12) INSURANCE – Discussion, consideration and possible action on business operation and D&O policies.
 - a) WOWSC received insurance renewal packet from Allied World Specialty Insurance Company for renewal March 17, 2022.
 - b) Joe and George are investigating additional insurance D&O for Directors and requested quotes from other insurance companies, Travelers and Chubb.
 - c) Joe forwarded the other companies’ D&O insurance policies to our legal team for review.
- 13) RATE CASE AT PUBLIC UTILITY COMMISSION – Update on Ratepayers Appeal of the 2020 decision by WOWSC to change water and sewer rates.
 - a) All legal expenses for WOWSC defense will become part of WOWSC rates
- 14) PUBLIC INFORMATION OFFICER –
 - a) Report on Public Information Act request and fulfillment in past years.
 - i) 25 PIA requests from four PIA requestors were submitted in Y2021 with 211 documents provided.
 - ii) A complaint was made Mar 22nd on response timeliness which was found invalid.
 - b) Consideration of approval for waiving litigation exception to request by plaintiff Rene Ffrench.
 - i) WOWSC received two PIA requests from Rene Ffrench on February 2, 2022
 - ii) Motion made and carried by all to approve waiving the litigation exception for the two February 2, 2022 PIA requests received from plaintiff Rene Ffrench.

Rich left the Board Meeting at 5:56PM. Quorum of Board was still in attendance.

- 15) PRESIDENT’S REPORT – A report of the operations of the corporation for the year.
 - a) Joe plans to follow similar outline as last year’s presentation and review at the Annual Member Meeting:
 - i) Growth
 - ii) Challenges
 - iii) Projects
 - iv) Litigation
- 16) NEW BUSINESS – Discussion and possible action on agenda for next meeting.
 - a) Officer Election: President, Vice-President, Secretary / Treasurer
 - i) Designate those directors who have authority to sign checks on the behalf of the Corporation.
 - b) Appoint Credentials Committee Members for Y2023.
- 17) NEXT MEETING – Set date, time and place for next meeting.
 - a) 19Mar2022 at 10:00AM at Spicewood Community Center
- 18) Motion made and carried by all to adjourn at 6:05PM



Submitted by: Mike Nelson

APPROVED BY WOWSC Board on March 19, 2022