



# Windermere Oaks Water Supply Corporation

424 Coventry Rd  
Spicewood, Texas 78669

## 2024 – 2025 Board of Directors

President – Vacant  
Vice-President of Operations – Jeff Walker  
Secretary/Treasurer - Vacant  
Director at Large - Brian Garceau  
Director at Large- Vacant

## **DRAFT - MINUTES of the WOWSC Open Board Meeting held 18 May 2024**

- 1) CALL TO ORDER at the WOWSC Water Plant, 424 Coventry Rd made by Jeff Walker at 10:01 am.
- 2) ROLL CALL and establishment of a special quorum per Article 8, Section 9 of the Bylaws. Board members present were Jeff Walker and Brian Garceau. Total of 24 people present for the Open meeting.
- 3) DELIBERATION AND DECISION OF ACTIONS to fill vacant board positions and update the Roll Call & Quorum as appropriate. Mr. Walker invited eligible members to join the Board. No additions made to the Board.
- 4) PUBLIC COMMENT. Daniel Flunker discussed that previous public information requests were not completed, including requests for financial reports and the requested Quick Books files. Mr. Flunker said he would be filing a complaint with Texas AG office. The Board addressed questions on the financial condition of the Corporation from other individuals.
- 5) OPERATIONAL TOURS. Tammy Hargett, CEO of AWR Services Inc., presented the current WOWSC Drought Plans and Reports with explanation of Stage 2.5. The Lower Colorado River Authority (LCRA) has mandated an amendment of our Drought Contingency Plan by June 1 and Ms. Hargett explained LCRA Fines of \$10,000 per month when WOWSC exceeds water allowance in Stage 4 controls (which is expected this fall). She explained some local water companies have activated individual user fines when they are not curtailing water use by 20% from individual authorized levels. Users will get WOWSC mandated restriction notices during the drought. Ms. Hargett explained that the water system's needs now are branch isolation valves, branch end flush valves, and then fire hydrants. At 10:40 am the open meeting recessed for two groups to be safely toured through the plant by Ms. Hargett and Mike Bamer, AWR Operations Manager. The meeting resumed at 11:15 am.
- 6) DELIBERATION AND POTENTIAL DECISIONS concerning:
  - A) Final Review of Spectrum Project and Payments: An attendee said that a million gallons of water were used by Spectrum and not paid in January and February. This was under the Spectrum agreement made by Mr. Burriss, the past General Manager, and the 2022 Board President. (AWR made a water usage audit of those two months and determined that 72,200 gallons of water were the average unpaid losses.)
  - B) IRS Audit of 2022 IRS filing: On April 7, 8, 9, an IRS investigator from Florida worked at the plant, interviewed multiple individuals and reviewed the available records while waiting on additional records that have been requested from CPA Norden and Salinas. Legal costs are estimated to be \$8,000 which may not be recoverable. A member mentioned that further requests of earlier years would be made for potential corruption. An IRS report is expected in June or July. Several people asked about filing for Receivership and two members explained the usual downsides from receivership on users.

C) Legal Update: the Legal Invoice audit/review committee reported that no progress had been made due to the passing of Wes Perkins on April 22<sup>nd</sup>. Comments were made about the current legal expenses being more than the PUC authorized budget level of \$3,000 per month and the explanation was that multiple legal demands, including the IRS audit, PIO requests, and PUC required reports, are the major cost contributors.

D) Financial Review – the bank balances as of May 18, 2024, are \$180,841 in general checking and \$196,594 in the money market combined account. The water/sewage operations income from April was \$16,401.72. Miscellaneous income deposited from the Friendship Homes/TOMA Integrity suit settlement was \$38,594. Payouts of PUC required refunds were initiated on the April billing on active accounts. Plans are to research payable addresses for closed membership accounts in June with payments beginning in July. There are 289 active accounts now and approximately 57 inactive accounts in payables. The total amount to be refunded over time from the 48 month period of excessive rates is \$776,212. The open legal expenses value is estimated at \$552K. The 2023 financial audit required by PUC is still underway with searches active for records not retained under the Records Management Program and open requests for records from Norden and Salinas CPA.

E) Records Management: Files and a Records Management Program are currently being built to organize and restore records from 2016 – 2023, with older years being archived.

8) DELIBERATION AND DECISIONS to –

A. Discuss 2024 Budget – The current 2024 Budget has been posted as approved to the WOWSC website with comparison of the Budgeted values and Actual values from 2022 and 2023 as comparisons.

B. Consider Open Invoices - There are no open unapproved invoices for consideration.

C. DISCUSSION AND DECISION of the replacement Corporate Registered Agent- Because the current Registered Agent arrangement for WOWSC does not meet Texas legal requirements, it was suggested that McCary & McCary, P.C of Marble Falls be contacted to provide this service as they do for Tennis Village POA at very low cost in order to meet the WOWSC needs. References were requested before the decision.

8) NEW BUSINESS -

Mr. Walker opened the new business discussion with a follow-up on the WOWSC 7.5 acres of vacant land that is directly west and behind the 4.3 acre lot that contacts the Piper Lane taxiway at the Spicewood airfield. During the March 12<sup>th</sup> Board Meeting, it was mentioned that Wes Perkins was in discussion with a group of pilots who were doing due diligence in planning for a potential flight training facility and if initiated, they might be interested in purchasing the WOWSC land as well. Discussions about the limited access to the WOWSC parcel followed with points made of three potential connection paths to the parcel that could be arranged, even though there isn't currently an airplane-viable easement to the parcel.

Two of the organizers of the flight training facility attended this meeting and presented some of their ideas for this concept. Mr. Frank Davis and Mr. Steven Pitts addressed the Board and the members with their backgrounds and their development concept and vision. He announced that their organization just closed on the 4.3 acre parcel that abutted the Piper Lane taxiway and is interested in acquiring the WOWSC parcel as well. Mr. Davis explained that they had made multiple inquiries to determine its value which ranged from \$400,000 to \$750,000 as it stood now. They are offering \$1 million for the parcel "as is" and wanted to talk to the members in public about what they are offering. The fact that there is a part of the land that has not been remediated from the TCEQ violations was known by them. Mr. Pitts mentioned that they are planning a function to honor Wes Perkins in the future taxiways.

Statements were made by Patricia Flunker about her 10 years of experience with this property and that Dana Martin promised a taxiway easement that WOWSC should pursue in court. Ms. Flunker was adamant that any land deal now would be a back-room deal and a violation of the Open Meetings Act, just like the illegal deal in 2016. Insistence was made of open to the public marketing and involvement of lawyers in this process and not allowing anyone with a conflict of interest to be involved.

Members of the audience mentioned that the offer and the Training Facility concept were interesting but wanted to maintain a restriction on Touch and Go practice landings. Points were made that the funds would potentially keep the water company operational to avoid receivership and that these could be funds to fix the failing infrastructures of the water company distribution lines.

Mr. Walker mentioned that because of this public discussion as New Business, a formal agenda item would be included on the next Board Open Meeting Notice and Agenda so that this subject could be formally discussed and potentially have decisions made.

9) ADJOURN – The Meeting adjourned at 1:08 pm since there was no more discussion.

**To Be Presented for Approval by the WOWSC Board on June 4<sup>th</sup>, 2024**

**DRAFT**